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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

Arizona Corporation Commission

DOCKETED

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AZ CORP COMMISSION
DOCUMENT CONTROL

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IN THE MATTER OF ARIZONA UTILITY)
SUPPLY AND SERVICES, LLC FOR A) DOCKET NO. SW-04002A-01-0228
CERTIFICATE OF CONVENIENCE AND)
NECESSITY TO PROVIDE SEWER SERVICE)
TO PORTIONS OF PINAL COUNTY, ARIZONA.)
_____)
IN THE MATTER OF THE APPLICATION OF)
JOHNSON UTILITIES, L.L.C., DBA JOHNSON) DOCKET NO. WS-02987A-01-0295
UTILITIES COMPANY FOR AN EXTENSION)
FOR ITS CERTIFICATE OF CONVENIENCE)
AND NECESSITY TO PROVIDE WATER AND)
WASTEWATER SERVICE TO THE PUBLIC IN)
THE DESCRIBED AREA IN PINAL COUNTY,)
ARIZONA.)
_____)

**ARIZONA UTILITY SUPPLY & SERVICES, LLC's TRIAL BRIEF
AND PRE-FILED EVIDENCE**

In the interests of shortening the hearing of this matter, Arizona Utility Supply &
Services, LLC ("AUSS") hereby respectfully submits the following evidence and
memorandum.

I. AUSS HAS NOT WAIVED ITS LICENSING TIMEFRAME

It is critical to the developers who want service from AUSS that this matter

1 be finally decided by September 15, the expiration of the six month licensing timeframe on
2 AUSS's application. AUSS has not waived this timeframe.

3 II. INCORPORATION OF EVIDENCE

4 The following evidence is attached to and incorporated into this Brief in the
5 interests of avoiding a lengthy discussion of environmental and ACC compliance issues,
6 much of which this tribunal has already recently heard:
7

8 Tab 1: Complaint by Homes by Judi against George Johnson and affiliates.

9 Tab 2: Letter of Terry Moore, P.E., concerning Arizona Department of
10 Environmental Quality ("ADEQ") authorization for construction of Cambria wastewater
11 treatment plant and notice letter from ADEQ re 208 plan compliance .
12

13 Tab 3: ADEQ records concerning compliance history of AUSS.

14 Tab 4: ADEQ records concerning compliance history of Johnson Utilities Company
15 ("JUC").

16 Tab 5: Excerpts from testimony of George Johnson from March 15 hearing.

17 Tab 6: Excerpts from statement of Bill Sullivan at March 15 hearing.

18 Tab 7: ADEQ inspection of the links plant dated June 28, 2001.

19 Tab 8: Map(s) from JUC's most recent 208 Plan amendment application.
20

21 The documents speak for themselves but a brief summary is provided for
22 convenience:
23
24
25

1 Summary of Tab 1: Developer Homes by Judi, Inc., recently sued George
2 Johnson and affiliated parties in Maricopa County Superior Court. The
3 complaint generally alleges that JUC and/or affiliates were unable or
4 unwilling to provide water and wastewater service to property Homes by Judi
5 was purchasing from a Johnson affiliate.

6 Discussion of Tab 2: This letter from AUSS' engineer, Terry Moore, P.E.,
7 confirms that ADEQ approved the commencement of construction of the
8 Cambria plant, subject to AUSS having a complete 208 plan amendment and
9 aquifer protection permit prior to operation.

10 Discussion of Tabs 3 and 4: These are all of the ADEQ records that Jack
11 Bale, a knowledgeable third party hired by AUSS, was able to locate about
12 ADEQ compliance issues involving either AUSS or its affiliates, or JUC or
13 its affiliates. A comparison of the records at Tabs 3 and 4 generally shows
14 that AUSS and its affiliates have had few, and minor, ADEQ compliance
15 problems over the many years Mr. Lee has built and operated wastewater
16 systems. All of the Notices of Violations were promptly corrected and none
17 of them threatened public health. By contrast, JUC and its affiliates have had
18 more numerous and much more serious ADEQ complaints, including
19 Consent Orders with multi-thousand dollar penalties. Some of JUC's
20 violations seriously threatened public health, such as serving drinking water

1 that did not meet state and federal drinking water standards.

2 Discussion of Tabs 5 and 6: Brief excerpts of testimony of George Johnson
3 and Stan Griffis from the hearing in Docket No. W-02234A-00-0371 et al.
4 that commenced March 15, 2001, before this Administrative Law Judge
5 generally relate to JUC's compliance history with ADEQ, tactics, and utility
6 service problems.
7

8 III. AUSS RESPONSE TO JUC RESPONSE TO STAFF REPORT

9 AUSS makes the following limited response to JUC's Response to Staff
10 Report ("JUC Response") filed in this matter on July 24, 2001. Most of JUC's Response
11 attacks AUSS rather than addressing the Staff Report. AUSS reserves the right to respond
12 to any additional portions of the JUC Response. Each response below cites to the relevant
13 portion of the JUC Response.
14

15 a. Testimony that H2O and Queen Creek water companies support JUC's
16 extension request is irrelevant and speculative. They will not be the
17 customers of JUC; their landowners will. In addition, service from AUSS
18 was not available when JUC, H2O and Queen Creek entered into their
19 settlement agreement that was the subject of the March hearing. JUC
20 Response page 2, lines 12-20.
21

22 b. The commencement of construction of the Cambria plant is within both
23 the letter and spirit of Arizona laws governing public service corporations.
24

1 Nothing in the law prevents a developer from providing sewer service to its
2 development through a wastewater system to be owned and operated by a
3 nonprofit property owners association. The hiring of AUSS to construct and
4 operate a plant, and to later own it if AUSS receives the CC&N for that area,
5 is in compliance with all ACC requirements. AUSS met with Staff early in
6 the process to make sure that its actions were proper. JUC Response page 4,
7 lines 3-25, page 5, lines 1-19.

9 c. The commencement of construction of the Cambria plant without a
10 completed 208 plan amendment was expressly approved by ADEQ. See Tab
11 2. AUSS is in contact with ADEQ to resolve this issue JUC Response page
12 5, lines 20-22, page 6, lines 1-16. Johnson has not filed a 208 amendment
13 application for the developers AUSS seeks to serve. See Tab 8.

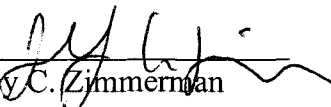
15 d. JUC's allegations that the Links Estates wastewater treatment plant is
16 not in compliance with ADEQ rules is patently false. When JUC filed the
17 JUC Response, it had in hand the latest inspection report of ADEQ stating
18 that the plant was in compliance. See Tab 7. This report was provided by
19 AUSS in its response to Johnson's First Set of Data Requests. AUSS
20 anticipates receiving its final APP any day now. JUC Response page 6, lines
21 17-24, page 7, lines 1-26.

1 e. JUC's allegations that there are no subdivision approvals for the
2 Cambria development are irrelevant and defamatory of Woodside Homes.
3 The subdivision approval is the responsibility of Woodside Homes, which
4 has or will have all necessary approvals when it commences home sales.
5 JUC Response page 8, lines 1-13.
6

7 f. Because AUSS' intervention in the March hearing was denied, Staff
8 never had an opportunity to analyze or make recommendations concerning
9 wastewater service to the Pecan Ranch prior to the instant Staff Report. Now
10 that Staff has been able to compare the applications of AUSS and JUC, it is
11 justified in finding that it would be better for AUSS to provide wastewater
12 service to a portion of the Pecan Ranch. JUC Response page 9, lines 9-26.
13

14 RESPECTFULLY SUBMITTED this 14TH day of August, 2001.

15 MOYES STOREY LTD.
16

17 By 
18 Jeffrey C. Zimmerman
19 Brad K. Keogh
20 3003 N. Central Ave., Suite 1250
21 Phoenix, Arizona 85012
22 602-604-2141
23 Attorneys for Applicant
24
25
26
27
28

PROOF OF SERVICE AND
CERTIFICATE OF MAILING

I hereby certify that on this 14th day of August, 2001, I caused the foregoing document to be served on Johnson Utilities Company by hand-delivering the original of said document to:

Thomas H. Campbell
Michael Denby
Michael Hallam
Lewis & Roca
40 N. Central Ave.
Phoenix, AZ 85004
Attorneys for Johnson Utilities Company

and copies of the foregoing were
mailed this 14th day of August,
2001, to:

Marc E. Stern
Administrative Law Judge
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Teena Wolfe
Legal Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

Mark Di Nunzio
Utilities Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

By: 

1

61
70

David N. Ramras - 002826
Ari Ramras - 018887
RAMRAS LAW OFFICES, P.C.
5060 North 40th Street, Suite 103
Phoenix, Arizona 85018
Telephone (602) 955-1951
Attorney for Plaintiff

MICHAEL E. SEARES, CLERK
BY *[Signature]* DEP
FILED

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SUPERIOR COURT OF ARIZONA

PAID
4096265

MARICOPA COUNTY

Homes by Judi, Inc., a Washington corporation,

No.

CV2001-009367

Plaintiff,

COMPLAINT

vs.

(Breach of Contract, Specific Performance)

Fox Hunt Properties, Inc., a joint venture; and
George H. Johnson and Jana Johnson, husband
and wife, individually and as trustees under the
George H. Johnson Revocable Trust Agreement
dated July 3, 1987, dba Fox Hunt Properties,
Inc.,

Defendants.

For its complaint Plaintiff alleges as follows:

JURISDICTION AND VENUE

1. This action is brought and jurisdiction of this Court is invoked, pursuant to Article VI, §14, of the Arizona Constitution and ARS §12-123.
2. Venue is proper pursuant to ARS §12-401 because all of the acts and events described herein which gave rise to this action occurred within Maricopa County.

THE PARTIES

3. Plaintiff Homes by Judi, Inc. (the "Homes by Judi") is a corporation duly organized and subsisting under and by virtue of the laws of the State of Washington, and is authorized to do

business in the State of Arizona.

4. Defendants George H. Johnson and Jana Johnson (the "Johnsons") are husband and wife, and trustees of the George H. Johnson Revocable Trust Agreement dated July 3, 1987, and each acted, as hereafter alleged, for and on behalf of their marital community, the trust, and Fox Hunt Properties, Inc.

5. Upon information and belief, defendant Fox Hunt Properties, Inc. is a joint venture consisting of the Johnsons.

6. Defendants are doing business in Arizona under the trade name Fox Hunt Properties, Inc. and will hereafter be collectively referred to herein as "Fox Hunt."

7. The Defendants, and each of them, are residents of the State of Arizona and/or are doing business in the State of Arizona and/or caused events to occur in the State of Arizona as herein alleged out of which the following causes of action arose.

BACKGROUND ALLEGATIONS

8. On or about April 25, 2000, Fox Hunt, as seller, and Homes by Judi, as buyer, entered into a Sale Agreement (the "Agreement") for approximately 1,120 acres of vacant real property located in Pinal County, Arizona known as Mystic Lake Ranch (the "Property") which is legally describe on Exhibit "A" annexed hereto.

9. Pursuant to the Agreement, Homes by Judi paid Fox Hunt, through escrow, a \$10,000 initial earnest money deposit, and a \$20,000 additional earnest money deposit.

10. Pursuant to the Agreement, Homes by Judi's obligation to purchase the Property was conditioned upon it first obtaining the following: (a) final subdivision plat approval and grading and drainage plan approval from the county; (b) final plat approval from the Arizona Department of Water Resources ("ADWR"); and (c) subdivision engineering approval from the Arizona

Department of Environmental Quality ("ADEQ") (the "Homes by Judi Conditions"); and Homes by Judi's obligation to purchase the Property was further conditioned upon Fox Hunt first obtaining a letter from ADWR showing the physical availability of water to the Property, and approval by ADEQ of the engineering plans for the master wastewater treatment system to the Property (the "Fox Hunt Conditions").

11. Pursuant to the Agreement, the closing date for the sale transaction was to be five business days after the Homes by Judi Conditions and the Fox Hunt Conditions were satisfied, but no later than July 31, 2000 (the "Final Approvals Date").

12. Pursuant to the Agreement, if either party failed to timely satisfy its conditions, Homes by Judi could either waive the condition; or terminate the Agreement and receive an earnest money refund.

13. Pursuant to the Agreement, if any of the Fox Hunt Conditions were not satisfied by the Final Approvals Date, Homes by Judi could also elect to extend that date to January 31, 2001, provided that it waived any unsatisfied Homes by Judi Conditions.

14. Neither the Fox Hunt Conditions nor the Homes by Judi Conditions were fully satisfied prior to the Final Approvals Date.

15. Having invested a good deal of time, energy and money on the project, neither party wanted to terminate the Agreement, but Homes by Judi was not willing to move forward unless the Fox Hunt Conditions were satisfied or some other acceptable arrangement was arrived at between the parties.

16. Accordingly, the parties modified the Agreement by orally agreeing, among other things, to extend the date for closing the sale transaction until such time as (A) Fox Hunt and its affiliate, Johnson Utilities LLC, were able to provide fully operational, approved and permitted

water and waste water facilities to service the Property consistent with standards required and approved by the Arizona Corporation Commission and the ADEQ; or (B) Fox Hunt provided Homes by Judi with an assurance bond, together with a personal guaranty from the Johnsons, in a form reasonably acceptable to Homes by Judi, to assure performance of timely installation of the approved water and wastewater infrastructure to the proposed development.

17. In reliance on such oral modification of the Agreement, among other things, Home by Judi did not exercise its right to terminate the Agreement and obtain a refund of its earnest money deposits, but instead continued to incur thousands and thousands of dollars in fees with engineers and with the County to develop the Property and obtain the necessary approvals to do so.

18. Homes by Judi repeatedly told Fox Hunt that it was prepared to close the transaction if and when Fox Hunt satisfied its obligations as set forth above. However, Fox Hunt neither provided the necessary water and wastewater facilities to service to the Property, nor did it provide Home by Judi with an assurance bond or guaranty.

19. On or about May 3, 2001, Fox Hunt sent a letter to Home by Judi purporting to terminate the Agreement ostensibly because Homes by Judi did not give notice of its election to extend the Final Approvals Date by July 31, 2000.

20. On or about May 16, 2001, Homes by Judi received another letter from Fox Hunt dated May 10, 2001 enclosing a check in the amount of \$30,000, purportedly representing a refund of earnest money.

21. On or about May 17, 2001, Homes by Judi sent a letter to Fox Hunt, returning the \$30,000 check and demanding that Fox Hunt rescind its letter of termination and demanding that it confirm that the Agreement was in full force and effect as modified. Fox Hunt refused to do so.

FIRST CLAIM FOR RELIEF - SPECIFIC PERFORMANCE

For its First Claim for Relief, Plaintiff alleges as follows:

22. Plaintiff hereby realleges and incorporate by reference each of the foregoing allegations.
23. Homes by Judi has duly performed all of the covenants and conditions of the Agreement on its part to be performed and was at all times and still is ready, able and willing to complete the terms of the Agreement.
24. Fox Hunt has failed and refused to perform the covenants and conditions of the Agreement by, among other things, doing or omitting to do those things alleged above.
25. Such breach of the Agreement, as modified, has proximately caused Homes by Judi to incur continuing damages.
26. The real property which is the subject of the Agreement is unique and therefore Homes by Judi has no adequate remedy at law unless Fox Hunt is compelled to specifically perform the Agreement according to its terms.
27. Fox Hunt should be compelled to do that which it ought to have done and still has the obligation to do; to wit: 1) cause fully operational, approved and permitted water and waste water facilities to be provided to service the Property consistent with standards required and approved by the Arizona Corporation Commission and the ADEQ; or provide Homes by Judi with an assurance bond, together with a personal guaranty from the Johnsons, to assure performance of timely installation of the approved water and wastewater infrastructure to the proposed development; and 2) close the sale transaction pursuant to the terms of the Agreement. Fox Hunt should also be compelled to pay such damages as Homes by Judi has incurred by reason of Fox Hunt's breach of the Agreement.
28. Homes by Judi's remedy at law is inadequate and/or impractical, and if it is not granted

specific performance, it will incur an injustice not remedial by a money judgment. Even if Homes by Judi was granted an award of damages, it would not be placed in a situation as beneficial as it would have enjoyed if the Agreement were specifically enforced.

WHEREFORE, Homes by Judi respectfully requests the Court to enter a judgment compelling Fox Hunt to specifically perform the Agreement according to its terms as modified above, and directing Fox Hunt to pay Homes by Judi its related damages; Alternatively, Homes by Judi requests a judgment against Fox Hunt for its damages incurred by reason of its breach of the Agreement; and Homes by Judi requests its costs, pre-judgment and post-judgment interest, a reasonable attorney's fee, and such other and further relief as the Court deems just and proper.

Dated: June 1, 2001

RAMRAS LAW OFFICES, P.C.

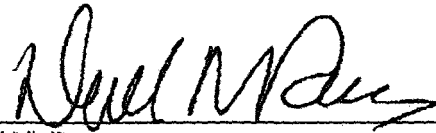
By: 
David N. Ramras
Ari Ramras
Attorneys for Plaintiff

EXHIBIT "A"
LEGAL DESCRIPTIONS

Parcels 2, 3, 5 and 6 described below, except for Well Site No. 1, Well Site No. 2 and the Sewage Lift Station parcel described below:

PARCEL NO. 2:

The East one-half of the Northeast one-quarter of Section 23, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

Beginning at the Northeast corner of said Section 23, which is monumented as an aluminum survey cap marked "L.S. #17238";

Thence, South 00° 07' 48" East, along the East line of the Northeast one-quarter of said Section 23, a distance of 2,637.26 feet to the East one-quarter corner of said Section 23, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, South 89° 54' 02" West, along the east-west mid-section line of said Section 23, a distance of 1,323.38 feet to the Southwest corner of said East one-half of the Northeast one-quarter of said Section 23;

Thence, North 00° 07' 02" West, along the West line of the East one-half of the Northeast one-quarter of said Section 23, a distance of 2,637.09 feet, to the Northwest corner of said East one-half of the Northeast one-quarter of said Section 23;

Thence, North 89° 53' 35" East, along the North line of the Northeast one-quarter of said Section 23, a distance of 1,322.79 feet to the said Northeast corner of said Northeast one-quarter of said Section 23, said point being the point of beginning.

Said parcel contains 80.101 acres more or less.

PARCEL NO. 3:

The Northwest one-quarter and the North one-half of the Northeast one-quarter of Section 24, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

Beginning at the Northwest corner of said Section 24, which is monumented as an aluminum survey cap marked "L.S. #17238";

Thence, North 89° 50' 11" East, along the North line of the Northwest one-quarter of said Section 24, a distance of 2,645.92 feet to the North one-quarter corner of said Section 24, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, North 88° 00' 05" East, along the North line of the Northeast one-quarter of said Section 24, a distance of 2,571.82 feet to the Northeast corner of said Section 24;

Thence, South 00° 10' 48" East, along the East line of the Northeast one-quarter of said Section 24, a distance of 1,319.88 feet to the Southeast corner of said North one-half of the Northeast one-quarter of said Section 24;

Thence, South 88° 28' 57" West, along the South line of the North one-half of the Northeast one-quarter of said Section 24, a distance of 2,581.07 feet;

Thence, South 00° 15' 16" West, along the West line of the South one-half of the Northeast one-quarter of said Section 24, a distance of 1,298.56 feet to the center of said Section 24;

Thence, South 88° 57' 35" West, along the east-west mid-section line of said Section 24, a distance of 2,628.83 feet to the West one-quarter corner of said Section 24, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, North 00° 07' 48" West, along the West line of the Northwest quarter of said Section 24, a distance of 2,637.26 feet to the Northwest corner of said Section 24, said point being the point of beginning.

Said parcel contains 235.841 acres more or less.

PARCEL NO. 5:

The South one-half of Section 24, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

Beginning at the West one-quarter corner of said Section 24, which is monumented as a G.L.O. brass survey cap dated 1928;

Thence, North 88° 57' 35" East, along the east-west mid-section line of said Section 24, a distance of 2,628.83 feet to the center of said Section 24;

Thence, continuing North 88° 57' 35" East, along the east-west mid-section line of said Section 24, a distance of 2,590.50 feet to the East one-quarter corner of said Section 24;

Thence, South 00° 11' 06" East, along the East line of the Southeast one-quarter of said Section 24, a distance of 2,646.74 feet, to the Southeast corner of said Section 24, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, South 89° 03' 15" West, along the South line of the Southeast one-quarter of said Section 24, a distance of 2,610.71 feet to the South one-quarter corner of said Section 24, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, South 89° 03' 45" West, along the South line of the Southwest one-quarter of said Section 24, a distance of 2,611.30 feet to the Southwest corner of said Section 24, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, North 00° 07' 27" West, along the West line of the Northwest quarter of said Section 24, a distance of 2,637.80 feet to the West one-quarter corner of said Section 24, said point being the point of beginning.

Said parcel contains 316.654 acres more or less.

PARCEL NO. 6:

All of Section 25, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the Southeast one-quarter and, also:

Except the East one-half of the Southeast one-quarter of the Southwest one-quarter.

Subject to reservation of a royalty of 5% of the net value of the minerals discovered after October 12, 1977, as reserved in Patent recorded in Docket 886, Page 943 and re-recorded in Docket 1601, Page 370 per Judgement in Docket 1601, Page 367.

Said parcel more particularly described as follows:

Beginning at the Northwest corner of said Section 25, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, North 89° 03' 45" East, along the North line of the Northwest one-quarter of the said Section 25, a distance of 2,611.30 feet to the North one-quarter corner of said Section 25, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, North 89° 03' 15" East, along the North line of the Northeast one-quarter of said Section 25, a distance of 2,610.71 feet to the Northeast corner of said Section 25, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, South 00° 38' 27" East, along the East line of the Northeast one-quarter of said Section 25, a distance of 2,646.38 feet to the East one-quarter corner of said Section 25, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, South 89° 07' 35" West, along the east-west mid-section line of said Section 25 a distance of 2,635.52 feet to the center of said Section 25, which is monumented as a 5/8" diameter iron rebar;

Thence, South 00° 06' 10" East, along the north-south mid-section line of said Section 25, a distance of 1,321.15 feet to the Northeast corner of the East half of the Southeast

one-quarter of the Southwest one-quarter of said Section 25, which is monumented as a 5/8" diameter iron rebar;

Thence, South 89° 08' 31" West along the North line of the said East half of the Southeast one-quarter of the Southwest one-quarter of said Section 25, a distance of 654.03 feet to the Northwest corner of the East half of the Southeast one-quarter of the Southwest one-quarter of said Section 25, which is monumented as a 5/8" diameter iron rebar;

Thence, South 00° 04' 51" West along the West line of the said East half of the Southeast one-quarter of the Southwest one-quarter of said Section 25, a distance of 1,321.01 feet to the Southwest corner of the East half of the Southeast one-quarter of the Southwest one-quarter of said Section 25, which is monumented as a 5/8" diameter iron rebar;

Thence, South 89° 09' 22" West, along the South line of the Southwest one-quarter of said Section 25, a distance of 1,959.89 feet to the Southwest corner of said Section 25, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, North 00° 00' 52" West, along the West line of the Southwest quarter of said Section 25, a distance of 2,640.92 feet to the West one-quarter corner of said Section 25, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, North 00° 02' 28" West, along the West line of the Northwest quarter of said Section 25, a distance of 2,640.43 feet to the Northwest corner of said Section 25, said point being the point of beginning.

Said parcel contains 456.437 acres more or less.

WELL SITE NO. 1:

A portion of the Southwest one-quarter of Section 25, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

Commencing at the Southwest corner of said Section 25, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, North 89° 09' 22" East, along the South line of the Southwest one-quarter of said Section 25, a distance of 1,591.43 feet;

Thence, North 00° 50' 47" West, a distance of 40.13 feet to the true point of beginning;

Thence, continuing North 00° 50' 47" West, a distance of 99.93 feet;

Thence, North 89° 09' 51" East, a distance of 110.24 feet;

Thence, South 03° 28' 15" East, a distance of 100.14 feet;

Thence, South 89° 12' 46" West, a distance of 114.82 feet to the point of beginning.

Said parcel contains 0.258 acres more or less.

WELL SITE NO. 2:

A portion of the Northwest one-quarter of Section 25, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

Commencing at the Northwest corner of said Section 25, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, North 89° 03' 45" East, along the North line of the Northwest one-quarter of said Section 25, a distance of 1,264.36 feet to the true point of beginning.

Thence, continuing North 89° 03' 45" East, along the North line of the Northwest one-quarter of said Section 25, a distance of 100.16 feet;

Thence, South 04° 08' 50" East, a distance of 150.24 feet;

Thence, South 89° 03' 45" West, a distance of 100.16 feet;

Thence, North 04° 08' 50" West, a distance of 150.24 feet to a point on said North line of the Northwest one-quarter of Section 25, said point also being the point of beginning.

Subject to a 33 foot wide right-of-way along the North 33 feet of the above described parcel.

Said parcel contains 0.345 acres more or less.

SEWAGE LIFT STATION

A portion of the Southwest one-quarter of Section 24, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows:

Beginning at the South one-quarter corner of said Section 24, which is monumented as a G.L.O. brass survey cap, dated 1928;

Thence, South 89° 03' 45" West, along the South line of the Southwest one-quarter of said Section 24, a distance of 50.01 feet;

Thence, North 00° 15' 16" East, a distance of 100.02 feet;

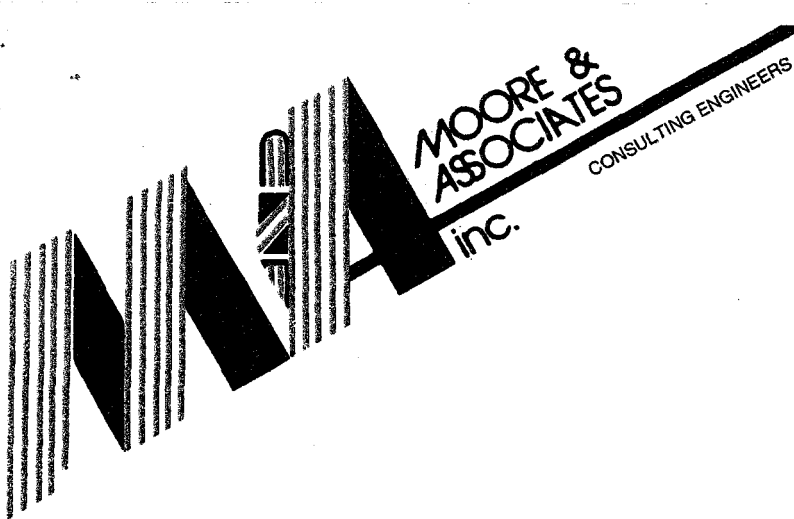
Thence, North $89^{\circ} 03' 45''$ East, a distance of 50.01 feet;

Thence, South $00^{\circ} 15' 16''$ West, a distance of 100.02 feet along the north-south mid-section line of the Southwest one-quarter of Section 24, to the South one-quarter corner of said Section 24, said point also being the point of beginning.

Subject to a 33 foot wide right-of-way along the South 33 feet of the above described parcel.

Said parcel contains 0.115 acres more or less.

2



Terry L. Moore P.E., R.L.S.

August 1, 2001

Mr. Maury Lee
Arizona Utility Supply and Services, LLC
4545 E. Shea Blvd.
Phoenix, AZ

RE: Cambria/Castlegate WWTP's
ADEQ Requirements For Project
Approvals Under New AAC R18-9 Regulations

Dear Mr. Lee;

In January of this year I met with Greg Brown of the Arizona Department of Environmental Quality regarding the new regulation which govern the approval of municipal wastewater treatment facilities and there impact on submittals, design plans, APP applications, Reuse Permit applications, and groundwater recharge.


During the meeting, the following issues were discussed:

1. There is no Approval To Construct any longer. Everything we do will be included in an APP application submitted as a single package with the design report and plans.
2. There is no requirement for a separate effluent Reuse Permit any longer. All issues will be addressed through the APP application.
3. A complete O&M Manual is now required for each facility with the APP application.
4. A contingency plan, requirements outlined in R18, must be submitted with the APP application.
5. We will be required to use design flows outlined in Table 1 of R18-9 unless we can demonstrate and validate actual water use and/or wastewater flow per person or residence.
6. The peak flow for collection and treatment is outlined in R18-9 and must be adhered to.

7. There is no restriction on when you can begin construction of a wastewater treatment plant. The only restriction is that the 208 Plan Amendment and the APP must be issued before you begin operation.

Should you have questions or need clarification of these issues, please contact me.

Sincerely,



Terry L. Moore, P.E.



Jane Dee Hull
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

3033 North Central Avenue • Phoenix, Arizona 85012-2809
(602) 207-2300 • www.adeq.state.az.us



Jacqueline E. Schafer
Director

August 10, 2001

Mr. Maurice Lee, Manager
Arizona Utility Supply & Services, LLC
4545 East Shea Blvd., Suite 164
Phoenix, Arizona 85028

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

RE: Cambria Sewage Treatment Facility, Place ID No. 15249, Pinal County

Dear Mr. Lee:

On August 8, 2001, Mr. Nabil K. Anouti of the Water Quality Enforcement Unit ("WQEU") of the Arizona Department of Environmental Quality ("ADEQ") met with you on site and conducted a joint inspection of the referenced facility. The inspection revealed that construction of the Cambria Sewage Treatment Facility ("STF") with a designed capacity of 500,000 gallons per day is currently underway and is approximately 60% complete.

Please be advised that the construction of the Cambria STF is a violation of the Arizona Administrative Code ("A.A.C.") R18-5-303. The referenced rule requires conformance with the Certified Areawide Water Quality Management (208) Plan and the Facility Plan before construction of any sewage treatment facility can begin. ADEQ records indicate that the Cambria STF is not in conformance with the existing 208 Plan and the requested modification of the 208 has not been approved.

In addition, operation of the Cambria STF (a categorical discharging facility pursuant to A.R.S. § 49-241.B.10) without an aquifer protection permit ("APP") would be a violation of A.R.S. § 49-241.B. and subject to the enforcement actions established under A.R.S. Title 49, Chapter 2, Article 4. Pursuant to A.A.C. R18-9-B201.H., an APP cannot be issued for a sewage treatment facility that is not in conformance with the Certified Areawide Water Quality Management Plan and the Facility Plan.

Therefore, the Arizona Utility Supply & Services, LLC is advised to take appropriate steps to correct these violations of the State's environmental laws and rules by ceasing further construction of the Cambria STF pending modification of and conformance with the 208 Plan.

Northern Regional Office
1515 East Cedar Avenue • Suite F • Flagstaff, AZ 86004
(520) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733

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Arizona Utility Supply & Services, LLC
August 10, 2001

Page 2

If you have any questions regarding this subject, or if you wish to meet to further discuss this matter, please contact me at (602) 207-4614.

Sincerely,

A handwritten signature in black ink that reads "M. Reza Azizi". The signature is written in a cursive style with a large, stylized "M" and "A".

M. Reza Azizi, Manager
Water Quality Enforcement Unit

cc: Karen Smith, Director, WQD, ADEQ
Michele Robertson, Manager, WPS, ADEQ
Mike Traubert, Manager, WQCS, ADEQ
Nabil Anouti, EES, WQEU, ADEQ
Edwina Vogan, EPS, WMU, ADEQ
Reg Glos, Pinal County Department of Public Health

Ref#EU01-0316

3

**Affidavit of Jack B. Bale,
Previously
Manager of the
Surface Water Quality Section,
Water Division
For
Arizona Department of Environmental Quality**

I, Jack B. Bale, having been duly sworn upon oath and under penalty of perjury, depose and state the following as true and accurate.

Documents regarding Johnson Utilities waste water treatment and collection system plant and Public Water Systems 11-116 and 11-128 and Arizona Utilities waster water treatment and collection system plant were obtained from the Arizona Department of Environmental Quality ("ADEQ") files. I attest that each document taken was marked in the ADEQ files, and then photocopied by IKON as they existed on the date of my review, Tuesday, July 24, 2001. Subsequently, I arranged these documents in chronological order and noted their significance from a compliance and enforcement standpoint. These documents were then transmitted to Lyn Keeling for indexing and review prior to submission to the Arizona Corporation Commission. I have not altered or tampered with the content of these documents.

I declare that the foregoing is true and correct to the best of my knowledge.

Executed this 12 day of August, 2001,

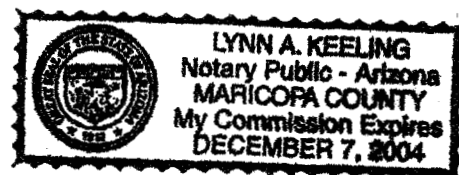
Maricopa County)
)ss
State of Arizona)

Jack B. Bale
Jack B. Bale

On this 12 day of August 2001, as Notary Public in and for said County and State, Jack B. Bale personally appeared and is personally known to me to be the person whose name is subscribed to this Affidavit and he acknowledged to me that he executed it for the purposes expressed therein.

WITNESS my hand and official seal.

Lynn A. Keeling
Notary Public



**Affidavit of Lynn A. Keeling
previously
Administrative Law Rules Consultant
For
Arizona Department of Environmental Quality**

I, Lynn A. Keeling, having been duly sworn upon oath and under penalty of perjury, depose and state the following as true and accurate.

Documents regarding Johnson Utilities waste water treatment and collection system plant and Public Water Systems 11-116 and 11-128 and Arizona Utilities waster water treatment and collection system plant were obtained from the Arizona Department of Environmental Quality ("ADEQ") files. I attest that these documents were copied by IKON and arranged in chronological order by Jack B. Bale. I then indexed and reviewed them prior to submission to the Arizona Corporation Commission. I have not altered or tampered with the content of these documents.

I declare that the foregoing is true and correct to the best of my knowledge.

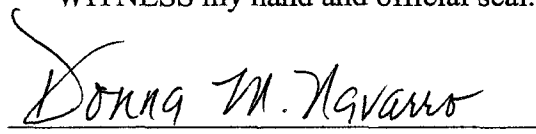
Executed this 14th day of August, 2001.

Maricopa County)
)ss
State of Arizona)


Lynn A. Keeling

On this 14 day of August, 2001, as Notary Public in and for said County and State, Jack B. Bale personally appeared and is personally known to me to be the person whose name is subscribed to this Affidavit and he acknowledged to me that he executed it for the purposes expressed therein.

WITNESS my hand and official seal.


Notary Public



**ARIZONA UTILITIES
WWTP**

Doc	Source	Date	Description
Notice	ADEQ	4/19/95	Public Notice of Aquifer Protection Permit issued
Letter	ADEQ	8/2/95	Request for Information, engineering comments
Certificate	ADEQ	8/18/95	Certificate of approval to Construct
	ADEQ	8/18/95	Approval of Sanitary Facility
APP	ADEQ	10/10/95	Aquifer Protection Permit
AOC	ADEQ	2/27/96	Approval of Construction
AOC	ADEQ	2/27/96	Approval of Construction-connection to H2O company
NOV	ADEQ	7/23/97	NOV-failure to submit monitoring data 4/96, 1Q 97, must deliver in 10 days or \$25,000/day penalties
NOV	ADEQ	1/20/98	NOV-failure to fence WWTP, failure to provide notice & warning signs, failure to keep inspection log
			3 days for log, 30 days for signs, 100days for fence or \$25,000/day penalties
Letter	ADEQ	9/30/97	7/23/97 closure letter
Letter	ADEQ	6/24/98	NOV Closure
Letter	ADEQ	3/3/99	Follow-up of 2/18/99 Inspection, in substantial compliance
			Noted the following: 1) Resolve effluent disposal inconsistency, 2) Modify APP, 3) Request general permit, 4) Alternative
Letter	ADEQ	11/16/99	NOV missed monitoring data 2Q 99, must provide within 10 days or \$25,000/day penalties
Letter	ADEQ	12/3/99	Closure letter for NOV
Letter	ADEQ	2/3/00	Inspection - UV out, backup chlorination system in use, must notify ADEQ
			must get a reuse permit, recommended Cambria get reuse permit
NOV		3/3/00	NOV for failure to collect effluent samples (R18-9-112), failure to notify ADEQ of UV unit out of operation
Letter	Sunbelt	4/10/00	Reports submitted, notice regarding UV shut down, and sampling effluent method explained
Letter	ADEQ	4/24/00	NOV Closure-Confirmed letter was satisfactory
Notice	ADEQ	6/14/01	Inspection - nothing noted
Letter	Sunbelt	6/22/01	Follow-up letter regarding UV system

**ARIZONA UTILITIES
WWTP**

Doc	Source	Date	Description
Notice	ADEQ	6/14/01	Inspection checklist from 6/14/01. Shows Reuse N/A
Letter	ADEQ	6/28/01	Full compliance from 6/14/01 inspection. Recommend modify APP for expansion & speed up UV repair (APP compliance).
Report	ADEQ		Facility information for Links Estates



Jane Dee Hull
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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Jacqueline E. Schafer
Director

June 28, 2001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Steve Kohner, HOA Manager
The Links Estates MHP @ Ocotillo HOA
7902 North Black Canyon Hwy., Suite 100
Phoenix, Arizona 85051

**Re: 2001-Inspection of The Links Estates WWTP
Individual Aquifer Protection Permit No. P-102976,
Inventory No. 102976, WW Place Id. No.7879**

Dear Mr. Kohner:

Enclosed is the 2001-inspection report prepared by the Arizona Department of Environmental Quality's (ADEQ's) Water Quality Enforcement Unit (WQEU) concerning the inspection conducted at the above-referenced facilities on June 14, 2001. The inspection was conducted in accordance with Arizona Revised Statutes (A.R.S.) §49-203.B.1. et seq., and with Arizona Administrative Code (A.A.C.) R18-9-110.A.

As indicated in the enclosed "Summary of Inspection," there were no deficiencies observed during the 2001-inspection and the review of ADEQ records by WQEU staff. However, there are some recommendations noted at the end of this report.

Your continued efforts are appreciated in keeping your wastewater treatment and disposal systems in compliance with the applicable Arizona environmental rules and regulations. ADEQ thanks you for your efforts in protecting the public health and the environment.

Sincerely,

Nabil K. Anouti, E.E.S., Compliance Officer
Water Quality Enforcement Unit

cc: . Pinal County Health Department
Asif Majeed, Manager, ADEQ - Wastewater Recharge & Reuse Unit
Maurice Lee, The Links Estates, 4545 E. Shea Ave., Suite 164, Phoenix, AZ 85008
(WQEU - Inventory # 102976)

Ref#EU01-0247

Northern Regional Office
1515 East Cedar Avenue • Suite F • Flagstaff, AZ 86004
(520) 779-0313

Southern Regional Office
400 West Congress Street • Suite 433 • Tucson, AZ 85701
(520) 628-6733

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ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Ref#: EU2000-0278
April 24, 2000

Mr. Maurice Lee, Chief Operator
Sunbelt Utility Services
P.O. Box 30543
Phoenix, AZ 85046-0543

Re: **The Links Estates WWTP: Inventory No. 102976**
Compliance Status Letter dated March 3, 2000
Close-Out: Notice Of Violation (NOV) dated March 3, 2000

Dear Mr. Lee:

This acknowledges receipt of your letter, and attachments thereto, dated April 10, 2000, which responded to the inspection report prepared by Water Quality Enforcement Unit (WQEU) staff dated March 3, 2000.

Your reply satisfies the concerns listed in the Notice Of Violation which accompanied the inspection report. We appreciate your continued activities toward improving plant operations.

ADEQ thanks you for your efforts in protecting public health and the environment.

Sincerely,

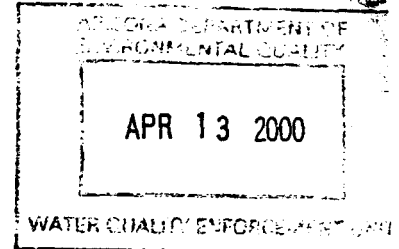
A handwritten signature in cursive script, reading "Gary D. Harmon".

Gary D. Harmon, EES, Field Engineer
Compliance Inspection Team
Water Quality Enforcement Unit

cc: Steve Kohner, 7902 N. Black Canyon Hwy, Ste.10, Phoenix, AZ 85051
Facility file: In. No. 102976

Sunbelt Utility Services

P.O. Box 30543 Phx., AZ 85046-0543
(602) 569-3190 FAX (602) 569-3536



April 10, 2000

Mr. Gary Harmon
Water Quality Enforcement Unit
Arizona Dept. of Environmental Quality
3033 N. Central Ave.
Phoenix, AZ 85012

Faxed to: 602-207-4467

RE: The Links WWTP
~~XXXXXXXXXXXXXXXXXXXX~~

Dear Mr. Harmon:

Please accept this letter as a response to your Notice of Violation dated March 20, 2000 on the above captioned wastewater treatment plant.

① This is formal notification that about the 15th of February, 2000 the ultra violet disinfection unit burned out. At that time we started to use chlorine tablets to disinfect the the effluent. We have been keeping the chlorine level at a residual level of less than .4 mg/l. The new ultra violet bulbs have been on order of which will be replaced later this week. We also ordered a complete of set of extra bulbs for standby in the event the bulbs burn out in the future.

② In reference to the monitoring reports, we have filed with Lynn Ott of your office the monitoring reports for the last quarter of 1999 and the first quarter of this year, 2000.

③ We have changed our method for sampling the effluent in order that we may get a good representative sample for our monitoring reports. The on-off float levels for the flow equalization basin have been lowered closer to the off level of the pumps in order that we get a more uniform flow through the system. We are also setting the composite sampling devise on a Saturday in order to take the sample to the laboratory on Monday morning. The composite sample will of course be under ice.

In addition to the changes we are making to the monitoring and sampling, we are changing the way the methane is being pumped into the clarifier in order to lower the total nitrogen in the effluent we are getting. The reports for the first quart of this year were above the limits set forth in our APP permit. We are also checking with our engineer to see if we can change the way the denitrification is being done to insure lower total nitrogen test results in the effluent.

We are making every effort to insure that the monitoring reports are filed on time and

Mr. Gary Harman
April 10, 2000
Page 2

have delegated this duty of the reports to the on site operator to complete these reports and have them filed on time..

Please call should you have any questions.

Very truly yours,
SUNBELT UTILITY SERVICES



Maurice Lee
Operator for The Links Estates WWTP

cc: Steve Kohner - The Links at Ocotillo Homeowners Association



102976

ms 4/1/00
RRB 3/6/00/16
Lynn
FTE/fel
R-2

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

March 3, 2000

CERTIFIED MAIL -RETURN RECEIPT REQUESTED

Ref #: EU2000-0176

Steve Kohner
Links Estates MHP @ Ocotillo HOA
7902 N. Black Canyon Hwy, Suite 10
Phoenix, Arizona 85051

Re: **Inspection of The Links Estates WWTP, Inventory No. 102976
Notice of Violation (NOV)**

Dear Mr. Kohner:

Enclosed is an inspection report and Notice of Violation (NOV) prepared by the Arizona Department of Environmental Quality's (ADEQ's) Water Quality Enforcement Unit (WQEU) concerning the inspection conducted at the above-referenced wastewater treatment facility on February 3, 2000. The inspection was conducted in accordance with Arizona Revised Statutes (A.R.S.) §49-361 et seq and with Arizona Administrative Code (A.A.C.) R18-9-809.

As indicated in the enclosed "Summary of Inspection," the facility needs to resolve the effluent analyses problem, and continue efforts to resolve the effluent disposal problem. ~~program to resolve these problems in accordance with the standards contained in the NOV.~~

Hopefully, your efforts will soon bring your system into full compliance with all environmental rules and requirements.

ADEQ thanks you for your efforts in protecting the public health and the environment.

Sincerely,

Gary Harmon
Environmental Engineering Specialist
Water Quality Enforcement Unit

GDH:gh

cc: APP Unit, ADEQ
Pinal County Health Department
~~Mr. Reza Azizi, Manager, Enforcement Unit~~
Maurice Lee, PO Box 30543, Phoenix, AZ 85046-0543

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

March 3, 2000

Inv. # 102976

NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ), Water Quality Division, Water Quality Enforcement Unit (WQEU), has determined that the **Links Estates WWTF** of Queen Creek, Arizona is in violation of Arizona Revised Statutes (A.R.S.) Title 49-101 *et. seq.* and applicable rules.

I. CITATION OF AUTHORITY ✓

1. The Department shall prevent and abate all water pollution (A.R.S. § 49-104.A.11).
2. When the Department determines that a person is in violation of any provision of Article 3, Chapter 2 of A.R.S. Title 49, or a rule adopted pursuant to Article 3, Chapter 2, of A.R.S. Title 49, a discharge limitation or any other condition of a permit issued pursuant to Article 3, Chapter 2 of A.R.S. Title 49, the Department may, in accordance with A.R.S. § 49-261.A., issue an enforcement order requiring compliance.

II. FINDINGS OF FACT AND DESCRIPTION OF VIOLATION(S) ✓

- A. The owner does not collect effluent samples for analyses to determine both the treatment plant's efficiency and effluent quality.

Citation : Failure to collect effluent samples is a violation of A.A.C. R18-9-112. Also, failure to collect samples is a violation of the APP, Part IV. Table 1. It is unlawful to "fail to monitor, sample or report discharges as required by permit." A.R.S. § 49-263 A.2.

- B. The owner has failed to notify the ADEQ that the UV unit is not in operation and that a backup system for disinfection (chlorination) is in operation and will continue in operation for a specific time period.

Citation : Failure to notify ADEQ is a violation of the APP, Part II, C. 3.

III. REQUIRED CORRECTIVE ACTIONS

- A. Within ten (10) days of receipt of this Notice: Provide a written response describing how the owner will satisfactorily address the above violations, including a schedule by which compliance may be tracked. This schedule must bring the facility into compliance within 30 days from the receipt of this Notice.
- B. Within thirty (30) days of receipt of this Notice: Provide documentation demonstrating that compliance has been achieved.

IV. STATEMENT OF CONSEQUENCES

- A. Failure to achieve timely compliance may result in an administrative order or civil action by ADEQ requiring compliance within a reasonable time frame and/or substantial civil penalties of up to twenty-five thousand dollars per day per violation (A.R.S. §§49-261.A. and 49-262.C., respectively).
- B. **Achieving compliance does not preclude ADEQ from seeking civil penalties for the above cited violations.**
- C. Any person who violates any provision of Article 8, Chapter 9 of Title 18 of the Arizona Administrative Code is subject to the enforcement provisions of A.R.S. § 49-142 or as otherwise may be provided by law.

V. REQUIRED DOCUMENTATION

- A. Compliance documentation shall be submitted upon completion of each required corrective action and shall include : invoices, photographs, logs, laboratory analyses, sealed engineering plans, O&M Manual, and technical drawings, permits and any other documents necessary to establish compliance.
- B. All reports, studies, explanations, summaries, proposals and other written correspondence shall be sent to ADEQ at the following address:

Arizona Department of Environmental Quality
Attn : Gary D. Harmon, E.E.S.
Water Quality Enforcement Unit
3033 N. Central Avenue (M0501B)
Phoenix, Arizona 85012-2809
- C. The above documentation shall be deemed "submitted" when received by ADEQ.

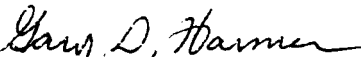
VI. OFFER TO MEET

ADEQ personnel are willing to schedule a meeting to discuss the violations and corrective actions. If you would like to meet, please contact Gary D. Harmon at (602) 207-4504. Prior to the meeting, please submit the following : 1) an agenda that specifies the issues that you wish to discuss and 2) the names and affiliations of the participants that will be accompanying you.

RECOMMENDATIONS

Following are improvements and / or corrections that ADEQ recommends you implement to improve the operation of your system and prevent the possibility of violations occurring in the future. These are recommendations only and are not required by law. There are no consequences for failing to implement these recommendations.

1. Install new signage at the reuse storage pond, to warn others of the presence of sewage treatment plant effluent. In addition, enclose this pond with a cyclone fence for safety purposes. In addition, take appropriate steps to prevent erosion of the embankments. In addition, take appropriate steps to control the algae in the stored effluent pond.
2. Continue with your efforts to obtain a modified APP to allow for percolation/evaporation from the effluent storage pond. This option will preclude the need for reuse at this time.
3. Continue with your efforts to construct a new WWTP which will include a Reuse option and abandonment of this current plant. Make necessary arrangements to meet with ADEQ staff to discuss this expansion project. ADEQ staff to be involved with such meetings include APP, Reuse, Permits, Compliance/Enforcement.



Gary D. Harmon, E.E.S.
Water Quality Enforcement Unit

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER QUALITY DIVISION - WATER QUALITY COMPLIANCE
SECTION

Water Quality Enforcement Unit

SUMMARY OF INSPECTION - WASTEWATER

Facility: The Links Estates WWTP
Aquifer Protection Permit (APP) No.: P102976
Reuse Permit No.: N/A
Inspected by: Gary Harmon, Environ Engr Spec
Accompanied by: Maurice Lee, Operator/Mgr.
Jeff Abercrombie, Operator

WW System No.: N/A
NPDES Permit No.: N/A
GWQPP Permit No.: N/A
Inspection Date: February 3, 2000
Report Date: March 3, 2000

1. Effluent quality meets the following permit requirements: YES NO N/A UNKNOWN

A. Aquifer Protection Permit

B. Reuse Permit

C. NPDES Permit

2. A certified operator is employed by the owner in accordance with ADEQ regulations.

3. This system meets ADEQ requirements for operation and maintenance.

	X		
		X	
		X	
X			
X			

FACILITY DESCRIPTION

The WWTP is a Santec system that utilizes denitrification and UV disinfection. The plant is located near the southeast corner of Ocotillo and Vineyard (Ironwood extended) in Queen Creek, Arizona and south of The Links Estates Mobile Home Park. The plant was initially permitted for 2 process trains with a combined total flow of 75,000 gallons per day. Currently only one train (DAF=37,500 gpd) has been built and it is treating an average daily flow of about 3,500 gallons per day. The WWTP consists of a grit and screen chamber located at the inlet to the equalization tank, which also houses 2 Goulds raw sewage pumps and a MAG flow meter, 4 aeration tanks (coarse bubble air) which operate in series, a denitrification/clarifier tank, an effluent holding tank with discharge pumps, a pressure sand filter, disinfection chamber (UV) and waste sludge tank. Nearly all of the equipment is buried below ground with the inspection caps, blowers, sand filter and UV station above ground. A portable, emergency generator is also available and is stored in the nearby equipment maintenance building. Effluent is discharged to a holding pond for ultimate

discharge upon the adjacent golf course, however, low flows preclude any reuse which is currently required by the APP. A block wall has been constructed around the WWTP for security and safety purposes.

SUMMARY OF FIELD OPERATIONS

General

The plant currently serves about 72 units which are occupied part-time. The current flows are about 65 gpd/unit.

A block wall has been constructed around the plant. This removes the possibility of someone driving over and damaging the plant units. Also, the wall serves as a safety feature and allows for on-site equipment storage and security.

Inlet Chambers

The grit chamber was recently (2/1/00) pumped (3,000 gal) by Coopers. This is required periodically for proper maintenance and odor control. The grit was hauled to the Superstition Mountain WWTP for final disposal.

Air scrubber devices were recently installed (January) on the equalization tank and the first aeration tank. This should eliminate any raw sewage odors, since most odors will emanate from these two tanks. Each tank has 3 access ports and all are equipped with small carbon filters. At a later date, potassium permanganate may be used rather than carbon, due to cost and efficiency. These devices have been designed and fabricated by Mr. Abercrombie.

The original raw sewage pumps were submersible, grinder pumps which have now been replaced with new submersible, Gould pumps which operate more efficiently and are not subject to downtime due to power surges.

Secondary Chambers

The plant, from time-to-time, experiences a failure problem with the original rubber air line couplers. This is a periodic problem and, as necessary, solid CPVC pipe is used whenever the couplers need to be replaced.

Both Mr. Lee and Mr. Abercrombie commented upon the poor design of the final settling tank which does not allow easy access for maintenance of the weirs and troughs.

All of the aeration zones had a very light-brown color and weak appearance, indicative of low solids levels.

The tertiary filter was not in operation during this inspection. The APP does not require BOD or suspended solids testing; therefore, the plant efficiency cannot be determined.

Disinfections

The UV unit was not in operation, because the bulbs are burned out. New bulbs have been ordered. Tablet chlorination was being used at the time of this inspection. **The APP requires that ADEQ be properly notified whenever the UV unit fails and the backup chlorination system is used. The notification must include the dates for initiating and concluding the use of the backup chlorination system. Such notification has NOT been provided by the permittee.**

Effluent Sampling

The APP effluent sampling and analysis requirements are NOT being met. This may be due to low flows. However, the effluent sampling and analysis program shall be scheduled to coincide with any effluent discharge. Also, the discharge pumps could be manually operated to allow for sample collection.

Aquifer Protection Permit

The APP requires that a Reuse Permit be obtained to allow for discharge upon the golf course. While this has not yet been accomplished, ADEQ has received an application for an APP modification which is now being processed. Upon receipt of the golf course agreement, by ADEQ, the APP modification could be finalized. Mr. Lee indicated that the golf course agreement was signed on 2/1/00. The effluent now percolates into the ground from the unlined effluent storage pond. The APP modification will allow for effluent percolation/evaporation during an interim period until future waste flow volumes allow for complete reuse.

The APP permit that was issued to The Links Estates WWTP states:

“All of the effluent will be transported from the effluent holding pond near the WWTP to golf course lakes for reuse or directly from the effluent holding pond for reuse under the authority of a reuse permit issued by ADEQ.”

The Links Estates WWTP has not submitted an application for a reuse permit. However, an application for an APP modification has been submitted which will allow for percolation/evaporation on an interim basis in the effluent storage pond. As a part of the future, new WWTP, a Reuse Permit will be required. The Approval to Construct (ATC) and the Approval of Construction (AOC) for the facility state that the effluent holding pond is unlined, which will result in a groundwater discharge. The Links must modify their APP permit to include percolation from the holding pond, and obtain a reuse permit in the future as a part of the new plant.

Storage Pond

The reuse storage pond contains only a minimal (1 ft.)(est) amount of water which is algae covered. The operator has scheduled to obtain some barley bales to help control the algae. There is more than 3 ft. of freeboard.

The effluent storage pond needs to be resigned to warn people that the pond contains effluent. More acceptable words will be used on the next sign, to satisfy all parties including the operating staff and the sales staff, and still give adequate warning to all people. Also, consideration should be given toward installing a cyclone fence around this unit for safety purposes. Also, consideration should be given toward necessary action along the berms to prevent excessive erosion; at this time, there was slight erosion.

Reporting

The 3rd quarter (1999) reports were submitted late. This was an oversight and will not recur according to the operator. Most lab work is performed at the beginning of the month which allows for timely receipt of lab results and report submissions. Also, because of the low flows, sampling times and dates are limited. The 4th quarter reports have not yet been received by ADEQ.

Overall the plant was neat and clean and was in good operating condition. The current plant flows are only approximately 10% of the design average flow. The O&M Manual is on site, and was used during this inspection.

Future Condition:

In the future, a new WWTP will be constructed southwest of the current plant site. This new plant will serve 750-800 new homes to be built by Cambria Homes. At 150-200 gpd per home, the new plant would have a DAF of about 0.3 MGD. The old plant units would be salvaged and the old site restored for other uses. As a part of this new project, a Reuse Permit would be obtained. This new plant is now in the design stages and meetings with ADEQ staff (Permits, APP, Reuse, Inspection/Enforcement) need to be scheduled.

Compliance Summary

1. **Construction Requirements.** No new construction has occurred or is proposed at this time.
Rating: Compliance.
2. **Monitoring and Reporting Requirements.** The effluent analyses and frequency does not meet the APP requirements. Also, the Agency has not been properly notified that the UV unit is not operating and that the backup chlorination system is in operation.
Rating: Non-Compliance.
3. **Operator Certification Requirements.** The facility has a Grade 2 operator as required.
Rating: Compliance.
4. **Operation & Maintenance (O&M) Requirements.** The facility is being properly operated and maintained. **Rating: Compliance.**

Required Correction Action(s)

1. Satisfy the NOV by modifying the type and frequency of effluent sampling in accordance with the APP.
2. Satisfy the NOV by providing proper notice to ADEQ that the UV unit is not operating and that the backup chlorination system is operating and will continue to operate for a specific time period, in accordance with the APP.
3. Resign the effluent holding pond.
4. The facility needs to continue its efforts to resolve the effluent disposal inconsistency. This can be accomplished by:
 - A. Obtaining a reuse permit for the facility (this will be done in the future)
 - B. Modifying the existing APP permit to allow for percolation/evaporation (the application is pending)
 - C. Some other method of compliance.



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

December 3, 1999

REF#: EU99-0702

The Links at Ocotillo Homeowners Association

Attention: Steve Kohner

7902 N. Black Canyon Hwy., Suite 10

Phoenix, AZ 85051

RE: Links Estates - Notice Of Violation Closure
Inventory #102976

Dear Mr. Kohner:

The purpose of this letter is to inform you that the Water Quality Enforcement Unit of the Arizona Department of Environmental Quality has closed the Notice of Violation (NOV) issued to the Links Estates (Permit #P102976) on November 16, 1999. Closure of the non-reporting NOV is in no way indicative of the overall compliance status of the facility. This closure is the result of meeting the requirements of the November 16, 1999, NOV by submitting the delinquent Self-Monitoring Report Forms.

The Water Quality Enforcement Unit would like to thank you for resolving the past non-reporting violation. Please continue to submit all future Self-Monitoring Report Forms in a timely manner as required by the referenced permit.

If you have any questions, please feel free to contact Lynn Ott (602) 207-4816, or 1-800-234-5677 ext.4816.

Sincerely,

M. Reza Azizi

M. Reza Azizi, Manager

Water Quality Enforcement Unit

cc: Pinal County Health & Human Services

Facility Operator/Engineer: Maurice Lee Sunbelt Utility Services PO Box 30543
Phoenix, AZ 85046-0543



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

November 16, 1999

REF#: EU99-0650

The Links at Ocotillo Homeowners Association
ATTN: Steve Kohner
7902 N. Black Canyon Hwy., Ste 10
Phoenix, AZ 85051

RE: Links Estates
Inventory #102976

NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ), Water Quality Division, Water Quality Enforcement Unit, has determined that The Links of Ocotillo Homeowners Association, of Phoenix, AZ, is in violation of the Arizona Revised Statutes (A.R.S.), Title 49-101 et seq. and applicable rules.

I. FINDINGS OF FACT AND DESCRIPTION OF VIOLATION(S)

1. The Links at Ocotillo Homeowners Association, is the owner and/or operator of the Links Estates Wastewater Treatment Plant, a discharging facility, operating pursuant to Aquifer Protection Permit, P102976.
2. The owner/operator of the Links Estates has failed to submit monitoring data for the second (2nd) quarter of 1999, as required by the Aquifer Protection Permit issued for the facility. The monitoring data for the second (2nd) quarter of 1999, was due to ADEQ by July 28, 1999. Failing to monitor or report as required by an Aquifer Protection Permit is a violation of both the permit and A.R.S. §49-261.A.

II. CITATIONS OF AUTHORITY

1. The Arizona Department of Environmental Quality (ADEQ) shall prevent and abate all water pollution. [A.R.S. §49-104.A.11.]

2. The ADEQ shall adopt, by rule, an aquifer protection permit program to control discharges of any pollutant or combination of pollutants. [A.R.S. §49-203.4.]
3. The ADEQ shall consider and may prescribe, monitoring, record keeping and reporting requirements in an Aquifer Protection Permit. [A.R.S. §49-243.K.]
4. If the director of ADEQ determines that a person is in violation of any condition of a Groundwater Quality Protection Permit, the director may issue an order requiring compliance within a reasonable timeframe. [A.A.C. R18-9-130 and A.R.S. §49-261.A.]

III. REQUIRED CORRECTIVE ACTIONS

Within ten days of receipt of this Notice

1. The owner/operator of the facility shall submit completed Self-Monitoring Report Forms as required by the Aquifer Protection Permit for the second (2nd) quarter of 1999; or
2. The owner/operator of the facility shall submit a written explanation for failing to submit the Self-Monitoring Report Forms as required by the Aquifer Protection Permit for the second (2nd) quarter of 1999.

IV. REQUIRED DOCUMENTATION

1. Adequate documentation of compliance shall consist of completed Self-Monitoring Report Forms as required by the Aquifer Protection Permit for the second (2nd) quarter of 1999. Although ADEQ has previously provided the owner/operator with Self-Monitoring Report Forms for the facility, additional Self-Monitoring Report Forms can be obtained from the Water Quality Data Unit by contacting Julie Collins at (602) 207-4688 or within Arizona, 1-800-234-5677 x4688.
2. All Self-Monitoring Report Forms and/or written explanations for failing to report, shall be sent to ADEQ at the following address:

Arizona Department of Environmental Quality
Attn: Lynn Ott
Water Quality Compliance Section
3033 N. Central Avenue, M0501B
Phoenix, AZ 85012

3. The above documentation shall be deemed "submitted" when received by ADEQ.

4. Any facility updates including owner/contact/operator name, address and phone number changes should be submitted as soon as the information is available.

V. STATEMENT OF CONSEQUENCES

Failing to adequately respond to this notice in a timely manner will result in an ADEQ referral to the Arizona Attorney General's Office for an escalated enforcement action. At ADEQ's request, the Arizona Attorney General shall file a civil complaint in superior court to recover substantial civil penalties up to twenty-five thousand dollars (\$25,000) per day per violation. [A.R.S. §49-261.A.]

Achieving compliance and/or providing an explanation for noncompliance does not preclude ADEQ from seeking civil penalties through the Attorney General for the above-cited violations.

VI. OFFER TO MEET

ADEQ personnel are willing to schedule a meeting to discuss the violations and corrective actions. Prior to the meeting, please submit the following: 1) an agenda that specifies the issues that you wish to discuss and 2) the names and affiliations of the participants that will be accompanying you.

If you would like to meet, or feel that this notice has been sent in error, please contact Lynn Ott at (602) 207-4816, or 1-800-234-5677 x 4816, within five days of receipt of this notice.

M. Reza Azizi

M. Reza Azizi, Manager,
Water Quality Enforcement Unit

cc: Facility Operator/Engineer: Maurice Lee Sunbelt Utility Services PO Box 30543
Phoenix, AZ 85046-0543
Pinal County Health & Human Services



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

John F. Hagen, Acting Director

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
Ref #: EU99-0176

March 31, 1999

Steve Kohner
Links at Ocotillo HOA
7902 N. Black Canyon Hwy, Suite 10
Phoenix, Arizona 85051

Re: **Inspection of The Links Estates WWTP, Inventory No. 102976**

Dear Mr. Kohner:

Enclosed is an inspection report prepared by the Arizona Department of Environmental Quality's (ADEQ's) Water Quality Enforcement Unit (WQEU) concerning the inspection conducted at the above-referenced wastewater treatment facility on February 18, 1999. The inspection was conducted in accordance with Arizona Revised Statutes (A.R.S.) §49-361 et seq and with Arizona Administrative Code (A.A.C.) R18-9-809.

As indicated in the enclosed "Summary of Inspection," the facility needs to resolve the permitted effluent disposal process. Please contact David McNeil in the Water Permits Section to resolve the APP permit discrepancy.

Your system is currently considered to be in substantial compliance with the Statutes and Rules administered by the Department. Hopefully, your efforts will soon bring your system into full compliance with all environmental rules and requirements. Please correct the deficiency.

ADEQ thanks you for your efforts in protecting the public health and the environment.

Sincerely,

A handwritten signature in cursive script, appearing to read "Patrick Finton".

Patrick Finton
Environmental Engineering Specialist
Water Quality Enforcement Unit

PCF:pf

cc: David McNeil, ADEQ
Joe Jeziorski, 40563 N. Bogey Drive, Queen Creek, AZ 85242
Pinal County Health Department
Water Quality Enforcement Unit Facility File, Inventory # 102976
WQEU Reading File

- *Marian Lee, rpn./op.*

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER QUALITY DIVISION - WATER QUALITY COMPLIANCE SECTION
Water Quality Enforcement Unit

SUMMARY OF INSPECTION - WASTEWATER

FACILITY: The Links Estates WWTP

WW System No.: N/A

Aquifer Protection Permit (APP) No.: P102976

NPDES Permit No.: N/A

Reuse Permit No.: N/A

GWQPP Permit No.: N/A

Inspected by: Patrick Finton, Environ Engr Spec

Inspection Date: February 18, 1999

Accompanied by: Maurice Lee, Operator
Murray Sharkey, ADEQ

Report Date: March 31, 1999

- | | YES | NO | N/A | UNKNOWN |
|--|-----|----|-----|---------|
| 1. Effluent quality meets the following permit requirements: | | | | |
| A. Aquifer Protection Permit | X | | | |
| B. Reuse Permit | | | X | |
| C. NPDES Permit | | | X | |
| 2. A certified operator is employed by the owner as by ADEQ regulations. | X | | | |
| 3. This system meets ADEQ requirements for operation and maintenance. | X | | | |

FACILITY DESCRIPTION

The WWTP is a Santec system that utilizes denitrification and UV disinfection. The plant is located near the corner of Ocotillo and Vineyard in Queen Creek, Arizona and south of The Links Estates Mobile Home Park. The plant was permitted for 2 process trains with a total flow of 75,000 gallons per day. Currently only one train has been built and it is treating 3,000 gallons per day. The WWTP consists of a screen/equalization tank, aeration tanks, denitrification/clarifier tank, filter storage tank, sand filter, disinfection chamber and waste sludge tank. Nearly all of the equipment is buried below ground with the inspection caps, blowers, sand filter and UV station above ground.

A solid block wall has been constructed around the WWTP since the last inspection. The plant is now capable of being secured.

SUMMARY OF FIELD OBSERVATIONS

A good solid block wall has been constructed around the plant. This will remove the possibility of someone driving over the tanks and breaking through.

Overall the plant was neat and clean and was in a better operating condition than at the last inspection.

The plant has experienced a failure problem with the original rubber air line couplers. The plant is in the process of changing to rubber hose secured with hose clamps.

ADEQ did not have the 3rd Quarter 1998 SMRF reports at the time of the inspection. Maurice Lee has submitted a second copy of the 3rd quarter results, along with the 4th quarter results, to ADEQ.

The effluent storage pond needs to be resigned to warn people that the pond contains effluent.

The APP permit that was issued to The Links Estates WWTP states:

All of the effluent will be transported from the effluent holding pond near the WWTP to golf course lakes for reuse or directly from the effluent holding pond for reuse under the authority of a reuse permit issued by ADEQ.

The Links Estates WWTP has failed to submit an application for a reuse permit. Without the Reuse Permit they can not discharge to the golf course, and by not being able to discharge to the golf course they are in violation of the APP permit which has been issued to them. The Approval to Construct (ATC) and the Approval of Construction (AOC) for the facility state that the effluent holding pond is unlined, which will result in a groundwater discharge. The Links needs to either modify their APP permit to include percolation from the holding pond, or obtain a reuse permit.

COMPLIANCE SUMMARY

1. **Construction Requirements.** A solid block wall with lockable gate has been constructed around the WWTP. The WWTP is now in compliance with the ATC. **Rating: Compliance.**
2. **Monitoring and Reporting Requirements.** ADEQ did not have 3rd Quarter 1998 sampling results at the time of the inspection. Maurice Lee submitted a copy of the results. **Rating: Compliance.**
3. **Operator Certification Requirements.** The facility has a Grade 2 operator as required. **Rating: Compliance.**
4. **Operation & Maintenance (O&M) Requirements.** The facility is being properly operated and maintained. **Rating: Compliance.**

REQUIRED CORRECTIVE ACTION(S)

1. Resign the effluent holding pond.
2. The facility needs to resolve the effluent disposal inconsistency. The can be accomplished by:
 - A. Obtaining a reuse permit for the facility,
 - B. Modifying the existing APP permit,
 - C. Request a Determination of Applicability which may result in a general permit for the facility, or
 - D. Some other method of compliance.

Please contact David McNeil in the Water Permits Section to resolve the APP effluent disposal inconsistency. His address is:

David McNeil
Water Permits Section
Arizona Department of Environmental Quality
3033 N. Central Ave
Phoenix, Arizona 85012

(602) 207-4743



WASTEWATER INSPECTION CHECKLIST

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

GENERAL INFORMATION

1.	Facility Name:	The Links Estates WWTP					
2.	County:	Pinal					
3.	Date of Inspection:	2/18/99	Start Time:	9:30 am	End Time:	10:30 am	
4.	Inspector:	Patrick Finton			Telephone:	207 - 4693	
5.	Inventory No.:	102976					
6.	Site Code No.:	11017100	Latitude:	33°14'45.244	Longitude:	111°33'18.072"	
7.	How was the Lat/Long determined? (GPS, Topographic Map, etc):		GPS				
8.	If GPS was used, describe the Lat/Long point location:		Discharge Point				
9.	Date of Previous Inspection:		November 10, 1997				
10.	APP No.:	P-102976	Issue Date:	Oct 2, 1995	Expiration Date:	None	
11.	GWPP No.:		Issue Date:		Expiration Date:		
12.	NPDES No.:		Issue Date:		Expiration Date:		
13.	Reuse No.:		Issue Date:		Expiration Date:		
14.	Notice of Disposal Date:						

Description of Facility

15.	Description of Wastewater Treatment and Disposal System (if different from information given by the facility as stated on "Facility Information" Sheet):		Santec package aerobic system rated at 37,500 GPD.		
16.	Description of Plant Expansion since Last Inspection:		No expansion, but the wall has been constructed.		
17.	Description of Reuse Site as stated in Reuse Permit (if different from information given by the facility as stated on "Facility Information" Sheet):		None at this time.		
18.	Does the system de-nitrify?	Yes			
19.	Classification/Grade of Treatment System:		Grade 2		
20.	Classification/Grade of Collection System:		Grade 1		
	Inspector's Signature:	<i>Patrick Finton</i>		Date Completed:	3/31/99



WASTEWATER INSPECTION CHECKLIST

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

. =violation

COLLECTION SYSTEM

1.	Does the system have a remote operator?	Yes	
2.	If yes, what is the frequency of inspections?	3 times per week	
3.	What is the travel time from the operator's residence to the system?	45 minutes	
4.	Condition of Manholes:	Good	
5.	Condition of Cleanouts:	Good	
6.	Condition of Collection Lines (note whether a force main or gravity flow system):	Gravity system	
7.	Location of Water Mains and Wells relative to Collection Lines:	Should be good	
8.	Does the facility have a spill control & containment program?	Yes	
9.	Does the facility keep records of all spills?	Yes	
10.	Does the facility report all spills to the County Health Department and to ADEQ?	Yes	
11.	Note any recent Overflows and Spills, including Dates, Volume, and Location:	None	
12.	Other Comments and Observations:		



WASTEWATER INSPECTION CHECKLIST

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

v=violation

LIFT STATIONS			
	1.	Total Number of Lift Stations:	1
		Number Inspected: <i>(note the location of each)</i>	1
The lift station is part of the flow equalization tank.			
For the following observations, note the location and any odors, flows, and all broken, missing or unauthorized equipment.			
	2.	Condition of Lift Stations:	Good
	3.	Condition of Pumps:	Good
	4.	Condition of Alarm Systems:	Good
	5.	Were any of the alarm systems tested during the inspection?	No
	6.	If yes, did the alarms perform as necessary?	
	7.	Do the lift stations have autodialers?	No
	8.	Condition of Emergency Backup Power Supplies:	None. The system is less than 10,000 gallons per day at this time.
	9.	Were any of the emergency backup power supplies tested during the inspection?	No
	10.	If yes, did the power supplies perform as necessary?	
	11.	Condition of Flood Protection (if in 100-year flood plain and constructed after 10/86):	The facility is not in a flood plain.
	12.	Are wet well/dry well lift stations present?	No
	13.	If yes, how many wet well stations?	How many dry well stations?
	14.	Conditions of these stations: <i>(lighting, ladders, ventilation, leaks, etc.)</i>	Pumping is from a buried tank.



WASTEWATER INSPECTION CHECKLIST

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

v=violation

GENERAL WASTEWATER TREATMENT PLANT SYSTEMS					
1.	Condition of Emergency power Supply (if an emergency power supply is required):	None required at this time.			
2.	Are potable water service lines located within the site?		No		
3.	If Yes, are backflow prevention devices connected to these lines?				
4.	If Yes, have these devices been tested within the past year?				
5.	Observations:				
6.	Is the site posted with at least one warning sign?	Yes			
7.	If yes, are signs located on all sides of the site?	Yes			
8.	Are the signs legible?	Yes			
9.	Do the signs indicate that wastewater treatment works are on the site and trespassing is prohibited?	Yes	-		
10.	Observations:				
11.	Is the site surrounded by a fence?	Yes			
12.	If yes, is the fence at least 6 feet in height?	Yes			
13.	Does the fence have a lockable gate?	Yes			
14.	Condition of fence/gate: <i>(capable of keeping both humans and large animals out of the WWTP area, gate is locked when WWTP is unattended, fence interference with access for maintenance, etc.)</i>	During the last inspection, a NOV was issued to the facility for not having a fence. The new fence is very good.			
15.	Condition of Flood Protection (if in 100-year floodplain and constructed after 10/86):	Not in a flood plain.			
16.	Is there an O&M Manual on site?	Yes		Observations:	
17.	Is there a log book on site (for all O&M activities)?	Yes		Observations:	
18.	General Observations: <i>(odors, flows, broken or missing or unauthorized equipment, rainwater runoff direction, condition of inventory of spare parts, calibration of instruments, excess vibrations from moving equipment, etc.)</i>	Good. No odors at first.			



Inv. 102976
hle

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Russell F. Rhoades, Director

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ref #: EU98-0343

June 24, 1998

Mr. Steve Kohner
The Links Homeowners Association
7902 N. Black Canyon Highway, Suite 10
Phoenix, Arizona 85051

Re: **Notice of Violation (NOV) Resolution for Inventory No. 102976, The Links Estates WWTP**

Dear Mr. Kohner:

The Links Estates was issued a NOV on January 20, 1998 for 1) failing to fence the wastewater treatment plant (WWTP), 2) failing to sign the WWTP, 3) failing to sign the effluent holding pond, and 4) failing to have an operating log. I have received Maurice Lee's letter and supporting documentation dated April 24, 1998 which addresses these violations and shows that the violations have been corrected. Based on this submittal, Arizona Department of Environmental Quality (ADEQ) considers this NOV to be closed.

If you need any additional help or information, please feel free to contact me at (602) 207-4693.

Sincerely,

A handwritten signature in cursive script, reading "Patrick Finton".

Patrick Finton
Environmental Engineering Specialist
Water Quality Enforcement Unit

PCF:pf

cc: M. Reza Azizi, Manager, Water Quality Enforcement Unit
Maurice Lee, Sunbelt Utility Services, P.O. Box 30543, Phoenix, AZ 85046-0543
Pinal County Health Department
Water Quality Enforcement Unit Facility File, Inventory No. 102976
WQEU Reading File



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Russell F. Rhoades, Director

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Ref: #EU98-0029

January 20, 1998

Mr. Ron Kohner

D.J.S.P. - L.L.C.

The Links at Ocotillo Homeowners Association

7902 N. Black Canyon Highway, Suite 10

Phoenix, AZ 85051

Re: Inventory No. 102976, Inspection of The Links Estates WWTP

Dear Mr. Kohner:

Enclosed is an inspection report prepared by the Arizona Department of Environmental Quality's (ADEQ's) Water Quality Enforcement Unit (WQEU) concerning the inspection conducted at the above-referenced facility on November 10, 1997. The inspection was conducted in accordance with Arizona Revised Statutes (A.R.S.) §49-361 et seq and with Arizona Administrative Code (A.A.C.) R18-9-809.

As indicated in the enclosed "Summary of Inspection," several deficiencies were observed during the inspection and during the review of ADEQ records by WQEU staff. As a result of these deficiencies, a Notice of Violation (NOV) is being issued to The Links Estates Waste Water Treatment Plant. The NOV is attached to this letter. Please correct these deficiencies in accordance with the schedule in the NOV and provide ADEQ with a written confirmation of resolution of these matters.

Your wastewater system is currently considered to be in non-compliance with the Statutes and Rules administered by the Department. Hopefully, your continued efforts will soon bring your system into full compliance with all environmental rules and regulations.

ADEQ thanks you for your efforts in protecting the public health and the environment.

Sincerely,

A handwritten signature in cursive script, reading "Patrick Finton".

Patrick Finton

Environmental Engineering Specialist

Water Quality Enforcement Unit

PCF:pf

cc: Maurice Lee, P.O. Box 30543, Phoenix, AZ 85046-0543

Pinal County Health Department

~~Water Quality Enforcement Unit Facility File Inventory #102976~~

WQEU Reading File

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER QUALITY DIVISION - WATER QUALITY COMPLIANCE SECTION
Water Quality Enforcement Unit

SUMMARY OF INSPECTION - WASTEWATER

FACILITY: The Links Estates WWTP

WW System No.: N/A

Aquifer Protection Permit (APP) No.: 102976

NPDES Permit No. N/A

Reuse Permit No.: None

Inspected by: Patrick Finton, Environ Engr Spec

Inspection Date: November 10, 1997

Accompanied by: Maurice Lee, Sunbelt Util Serv

Report Date: January 20, 1998

YES NO N/A UNKNOWN

1. Effluent quality meets the following permit requirements:

A. Aquifer Protection Permit

B. Reuse Permit

C. NPDES Permit

2. A certified operator is employed by the owner as required by ADEQ regulations.

3. This system meets ADEQ requirements for operation and maintenance.

	X		
		X	
		X	
X			
	X		

FACILITY DESCRIPTION

The WWTP is a Santec system that utilizes denitrification and UV disinfection. The plant located is near the corner of Ocotillo and Vineyard in Queen Creek, Arizona and south of The Links Estates Mobile Home Park. The total plant was designed to handle a flow of 75,000 gallons per day and it is currently treating 7,000 gallons per day. The mobile home park consists of large individual lots which are the size of a city lot. The collection system is gravity flow to the WWTP where there is a lift pump. The Santec tanks are all buried below grade with the inspection caps, blowers, sand filter and UV station above grade. There is no indication that a WWTP is at the site and there is no difficulty in driving vehicles over the buried tanks.

The WWTP consists of a screen/equalization tank, aeration tanks, denitrification/clarifier tank, sand filter and UV disinfection chamber. The plant has associated piping, blowers and pumps to complete the circuit. The second half of the plant, Phase 2, has not been constructed at this time.

Summary of Field Observations

The plant flow is only about 10% of the designed capacity. The plant is very new and in generally good condition. Because the collection system is new and operating at minimum flow rates, there is little reason to expect a collection system spill. The plant location is somewhat difficult to find. The only structures above ground are the blower house, small storage shed and sand filter. There is no fence around the plant and there are no signs to indicate that any sort of plant is in the area. Just to the west of the plant, the subdivision is constructing a clubhouse. At this time there are few people in the area, but with the completion of the clubhouse, this may change.

Incoming sewage is screened by vertical bars in the first tank. Screened solids will be removed by pumping when the sludge tank is pumped. At the time of the inspection the screenings load in the first tank appeared to be fairly low. At the time of the inspection, only one blower was operational. The standby blower had thrown its V-belts. During the inspection, it was found that the blower header had separated which was resulting in minimal aeration in the reactor tanks. Even with the minimal air flow, the aeration or reactor tanks were in generally good condition, which was probably a result of the very low plant influent flow. With the tanks being buried and the only way to inspect the tanks is through the removable hatches, it is difficult to fully inspect the system or to make necessary repairs. This is especially true with the clarifier tank section. With the limited hatch opening, it is very difficult to clean the overflow weir and clarifier surface. Failure to maintain the clarifier section will result in additional loading to the sand filter. With the current low plant flows this is not a problem; however, as the plant reaches its design capacity this may become a problem.

The filtered and disinfected effluent from the plant is pumped to a constructed holding/percolation pond. This pond is currently a wetlands area. There is no indication that the pond depth has been more than 2 feet. Because the holding pond is not fenced, the operator was worried that the pond was creating an attractive nuisance. This may be true and it may be creating a potential liability for the subdivision, but Engineering Bulletin No. 11, Section VI-9, Fencing, reads in part as follows:

All wastewater treatment plants, lagoons, and ponds treating and/or processing raw, partially treated, or disinfected secondary effluent shall be fenced. Ponds holding disinfected tertiary effluent are not required to be fenced.

Since the effluent going to the holding pond is good quality tertiary effluent, there is no environmental reason to require fencing. The Department does recommend that the pond be signed to warn people that the water is effluent.

The maintenance log is not kept at the facility which is a violation of paragraph PART II.B.3.b(1) of the APP permit. The paragraph reads as follows:

The pollution control structures shall be inspected for the items listed in PART IV, TABLE II. A log of these inspections shall be kept at the facility for ten (10) years from the date of each inspection, available for review by ADEQ personnel.

Compliance Summary

1. **Construction Requirements.** The WWTP does not have a fence around the facility. Also there is no signage to warn people that a WWTP is on the site. It is also recommended that the holding pond be signed to identify the water as effluent. **Rating: Non-Compliance.**
2. **Monitoring and Reporting Requirements.** The facility is not keeping the maintenance records, or a copy of the records, at the facility. **Rating: Non-Compliance.**

3. **Operator Certification Requirements.** The developer is utilizing Sunbelt Utility Services as the facility operator. **Rating: Compliance.**
4. **Operation & Maintenance (O&M) Requirements.** A copy of the facility O&M manual and the operational log book need to be kept at the WWTP. Because of the down blower and separated air pipe, the aerator system needs to be checked on a more frequent basis to ensure proper operation. **Rating: Non-Compliance.**

Required Corrective Action(s)

See attached Notice of Violation (NOV).



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

NOTICE OF VIOLATION

January 20, 1998

The Arizona Department of Environmental Quality (ADEQ), Water Quality Division, Water Quality Enforcement Unit, has determined that D.J.S.P.-L.L.C. (owner), of The Links Estates Wastewater Treatment Plant (WWTP), in Pinal County near Apache Junction, Arizona, is in violation of the Arizona Revised Statutes (A.R.S.), Title 49-101 et seq and applicable rules.

I. FINDINGS OF FACT AND DESCRIPTION OF VIOLATION(S)

1. The owner has failed to fence the WWTP as specified in the Approval of Construction and specifically cited as application deficiency 5.M. in the January 26, 1995 letter to Mr. Michael R. Bryce, ADEQ correspondence reference number ERP: 95-0091 which states as follows:

The plant must be fenced to prevent public access.
Please revise the plans.

2. The owner has failed to warn the public that a treatment plant is on the site and that trespass is prohibited which is a violation of A.A.C. R18-9-803(D).
3. The owner has failed to provide warning signs regarding the use of reclaimed water in the effluent holding pond which is a violation of A.A.C. R18-9-703(C).
4. The owner has failed to keep the facility maintenance inspection log at the facility as required in Part II.B.3.b.(1) of Aquifer Protection Permit No. P-102976.

II. CITATIONS OF AUTHORITY

1. The Department shall prevent and abate all water pollution [A.R.S. § 49-104(A)(11)].

2. When the Department determines that a person is in violation of any provision of Article 3, Chapter 2 of A.R.S. Title 49 (including A.R.S. § 49-241(A) and 49-241(B)), or a rule adopted pursuant to Article 3, Chapter 2, of A.R.S. Title 49 (including A.A.C. R18-9-107(A)), the Department may issue an enforcement order to the owner or operator requiring compliance (A.R.S. § 49-261(A)).
3. The rules adopted by the Department, including A.A.C. R18-9-804, apply and shall be observed throughout Arizona (A.R.S. § 49-106).
4. A person who violates any provision of Article 3, Chapter 2 of A.R.S. Title 49 (including A.R.S. § 49-241(A) and 49-241(B)), or a rule adopted pursuant to Article 2 or 3, Chapter 2, of A.R.S. Title 49 (including A.A.C. R18-11-109, A.A.C. R18-11-108(A), A.A.C. R18-11-108(B) and A.A.C. R18-9-107(A)), is subject to a civil penalty of not to exceed twenty-five thousand dollars per day per violation (A.R.S. § 49-262(C)).

III. REQUIRED CORRECTIVE ACTIONS

Within Three (3) Days of Receipt of This Notice:

The maintenance log, or copies of the maintenance log, must be kept at the facility. A copy of the log form will be sent to the Department.

Within Thirty (30) Days of Receipt of This Notice:

1. Signs must be posted at the WWTP to meet the following conditions and the Department shall be notified after the signing has been completed:

Each treatment works site shall be posted with signs on all sides indicating that a treatment works is located on that site and that trespassing on the premises is prohibited.

2. The holding pond shall be signed to meet the following requirement and the Department shall be notified after the signing has been completed:

Signs reading "Irrigated with reclaimed wastewater" or similar warning shall be prominently displayed on the premises.

Within One Hundred (100) Days of Receipt of This Notice:

A fence shall be constructed around the WWTP that meets the following conditions and the Department shall be notified after completion:

All wastewater treatment plants, lagoons, and ponds treating and/or processing raw, partially treated, or disinfected secondary effluent shall be fenced. Ponds holding disinfected tertiary effluent are not required to be fenced. The fence shall be a minimum of six (6) feet in height and shall be of sufficient strength to exclude livestock and other animals. Material of construction shall be chain link, wood, block, or other suitable material. All gates shall be of the lockable type.

The fence should be located far enough from each unit to provide adequate access for maintenance.

IV. REQUIRED DOCUMENTATION

1. Compliance documentation shall include: invoices, photographs, logs, laboratory analyses, sealed engineering plans and technical drawings, permits and any other documents necessary to establish compliance.
2. All reports, studies, explanations, summaries, proposals and other written correspondence shall be sent to ADEQ at the following address:

Arizona Department of Environmental Quality
Attn: Patrick Finton
Water Quality Enforcement Unit
3033 N. Central Avenue
Phoenix, AZ 85012

3. The above documentation shall be deemed "submitted" when received by ADEQ.

V. STATEMENT OF CONSEQUENCES

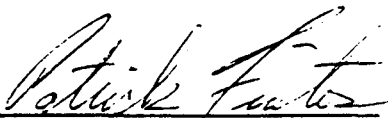
Failure to achieve timely compliance with this notice may result in any or all of the following actions by ADEQ:

1. An order requiring compliance with the above-cited laws and rules.
2. A civil action in Superior Court for injunction and civil penalties up to \$25,000 per day per violation.

Achieving compliance does not preclude ADEQ from seeking civil penalties for the above-cited violations.

VI. OFFER TO MEET

ADEQ personnel are willing to schedule a meeting to discuss the violations and corrective actions. If you would like to meet, please contact Patrick Finton at (602)-207-4693. Prior to the meeting, please submit the following: 1) an agenda that specifies the issues that you wish to discuss and 2) the names and affiliations of the participants that will be accompanying you.



Patrick Finton
Environmental Engineering Specialist
Arizona Department of Environmental Quality

cc: M. Reza Azizi, Manager, Water Quality Enforcement Unit
Pinal County Health Department



102-976

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Russell F. Rhoades, Director

September 30, 1997

REF#: EU97-0556

D.J.S.P. - L.L.C.

Attention: Ron Kohner

7902 N. Black Canyon Hwy., #10

Phoenix, AZ 85051

RE: Links Estates

~~Inventory #102976~~

Dear Mr. Kohner:

The purpose of this letter is to inform you that the Water Quality Enforcement Unit of the Arizona Department of Environmental Quality has closed the enforcement case resulting from the July 23, 1997, Notice of Violation (NOV) issued for the Links Estates (Permit #P-102976). Closure of the non-reporting enforcement case is in no way indicative of the overall compliance status of the facility. Closure of the non-reporting enforcement case is merely the result of meeting the requirements of the July 23, 1997, NOV by submitting the delinquent Self-Monitoring Report Forms.

The Water Quality Enforcement Unit would like to thank you for resolving the past non-reporting violation(s) and hopes that further enforcement can be avoided by submitting all future Self-Monitoring Report Forms in a timely manner.

If you have any questions, please feel free to contact Henry Darwin of my staff at (602) 207-4586.

Sincerely,

M. Reza Azizi

M. Reza Azizi, Manager

Water Quality Enforcement Unit

cc: Arizona Attorney General's Office, Environmental Enforcement Section
Pinal County Public Health



ARIZONA DEPARTMENT OF ENVIRONME

Fife Symington, Governor Russell F. Rhoades,

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

July 23, 1997

REF#: EU97-0394

D.J.S.P. - L.L.C.

Attention: Ron Kohner

7902 N. Black Canyon Hwy., #10

Phoenix, Arizona 85051

RE: The Links Estates
Inventory #102976

448 827 330
7-24-97
US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to	DJSP-LLC	
Street & Number	Attn: Ron Kohner	
Post Office, State, & ZIP Code	7902 N. Black Canyon	
Postage	\$	Hwy. #
Certified Fee	EU97-0394	
Special Delivery Fee		
Restricted Delivery Fee		
Return Receipt Showing to Whom & Date Delivered		
Return Receipt Showing to Whom, Date, & Addressee's Address		
TOTAL Postage & Fees	\$	
Postmark or Date		

PS Form 3800, April 1995

NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ), Water Quality Division, Water Quality Enforcement Unit, has determined that D.J.S.P. - L.L.C., of Phoenix, Arizona, is in violation of the Arizona Revised Statutes (A.R.S.), Title 49-101 et seq. and applicable rules.

I. FINDINGS OF FACT AND DESCRIPTION OF VIOLATION(S)

1. D.J.S.P. - L.L.C., is the owner and/or operator of the The Links Estates, a discharging facility, operating pursuant to Aquifer Protection Permit, P-102976.
2. The owner/operator of the The Links Estates has failed to submit monitoring data for the fourth quarter of 1996, and the first quarter of 1997, as required by the Aquifer Protection Permit issued for the facility. The monitoring data for the fourth quarter of 1996 was due to ADEQ by January 28, 1997, while the monitoring data for the first quarter of 1997, was due by April 28, 1997. Failing to monitor or report as required by an Aquifer Protection Permit is a violation of both the permit and A.R.S. §49-263.A.2.

II. CITATIONS OF AUTHORITY

1. The Arizona Department of Environmental Quality (ADEQ) shall prevent and abate all water pollution. [A.R.S. §49-104.A.11.]

2. The ADEQ shall adopt, by rule, an aquifer protection permit program to control discharges of any pollutant or combination of pollutants. [A.R.S. §49-203.4.]
3. The ADEQ shall consider and may prescribe, monitoring, record keeping and reporting requirements in an Aquifer Protection Permit. [A.R.S. §49-243.K.]
4. A person who violates an Aquifer Protection Permit is subject to a civil penalty of not to exceed twenty-five thousand dollars per day per violation. [A.R.S. §49-262.C.]

III. REQUIRED CORRECTIVE ACTIONS

Within Ten Days Of Receipt Of This Notice

1. The owner/operator of the facility shall submit completed Self-Monitoring Report Forms as required by the Aquifer Protection Permit for the fourth quarter of 1996, and the first quarter of 1997; or
2. The owner/operator of the facility shall submit a written explanation for failing to submit the Self-Monitoring Report Forms as required by the Aquifer Protection Permit for the fourth quarter of 1996, and the first quarter of 1997.

IV. REQUIRED DOCUMENTATION

1. Adequate documentation of compliance shall consist of completed Self-Monitoring Report Forms as required by the Aquifer Protection Permit for the fourth quarter of 1996, and the first quarter of 1997. Although ADEQ has previously provided the owner/operator with Self-Monitoring Report Forms for the facility, additional Self-Monitoring Report Forms can be obtained from the Water Quality Data Unit by contacting Julie Collins at (602) 207-4688.
2. All Self-Monitoring Report Forms and/or written explanations for failing to report, shall be sent to ADEQ at the following address:

Arizona Department of Environmental Quality
Attn: Henry Darwin
Water Quality Enforcement Unit
3033 N. Central Avenue
Phoenix, AZ 85012

3. The above documentation shall be deemed "submitted" when received by ADEQ.

V. STATEMENT OF CONSEQUENCES

Failing to adequately respond to this notice in a timely manner will result in an ADEQ referral to the Arizona Attorney General's Office for an escalated enforcement action. At ADEQ's request, the Arizona Attorney General shall file a civil complaint in superior court to recover substantial civil penalties accruing at a rate of twenty-five thousand dollars (\$25,000) per day per violation. [A.R.S. §49-262.C.]

Achieving compliance and/or providing an explanation for noncompliance does not preclude ADEQ from seeking civil penalties through the Attorney General for the above-cited violations.

VI OFFER TO MEET

ADEQ personnel are willing to schedule a meeting to discuss the violations and corrective actions. Prior to the meeting, please submit the following: 1) an agenda that specifies the issues that you wish to discuss and 2) the names and affiliations of the participants that will be accompanying you.

If you would like to meet, or feel that this notice has been sent in error, please contact Henry Darwin at (602) 207-4586 within five days of receipt of this notice.

M. Reza Azizi

M. Reza Azizi, Manager, Water Quality Enforcement Unit
Arizona Department of Environmental Quality

cc: Arizona Attorney General's Office, Environmental Enforcement Section
Pinal County Public Health

**Affidavit of Jack B. Bale,
Previously
Manager of the
Surface Water Quality Section,
Water Division
For
Arizona Department of Environmental Quality**

I, Jack B. Bale, having been duly sworn upon oath and under penalty of perjury, depose and state the following as true and accurate.

Documents regarding Johnson Utilities waste water treatment and collection system plant and Public Water Systems 11-116 and 11-128 and Arizona Utilities waste water treatment and collection system plant were obtained from the Arizona Department of Environmental Quality ("ADEQ") files. I attest that each document taken was marked in the ADEQ files, and then photocopied by IKON as they existed on the date of my review, Tuesday, July 24, 2001. Subsequently, I arranged these documents in chronological order and noted their significance from a compliance and enforcement standpoint. These documents were then transmitted to Lyn Keeling for indexing and review prior to submission to the Arizona Corporation Commission. I have not altered or tampered with the content of these documents.

I declare that the foregoing is true and correct to the best of my knowledge.

Executed this 12 day of August, 2001,

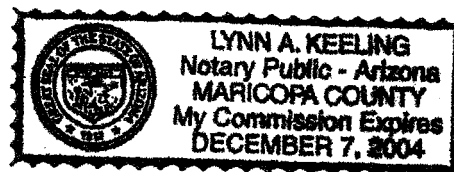
Maricopa County)
)ss
State of Arizona)

Jack B. Bale
Jack B. Bale

On this 12 day of August, 2001, as Notary Public in and for said County and State, Jack B. Bale personally appeared and is personally known to me to be the person whose name is subscribed to this Affidavit and he acknowledged to me that he executed it for the purposes expressed therein.

WITNESS my hand and official seal.

Lynn A. Keeling
Notary Public



**Affidavit of Lynn A. Keeling
previously
Administrative Law Rules Consultant
For
Arizona Department of Environmental Quality**

I, Lynn A. Keeling, having been duly sworn upon oath and under penalty of perjury, depose and state the following as true and accurate.

Documents regarding Johnson Utilities waste water treatment and collection system plant and Public Water Systems 11-116 and 11-128 and Arizona Utilities waste water treatment and collection system plant were obtained from the Arizona Department of Environmental Quality ("ADEQ") files. I attest that these documents were copied by IKON and arranged in chronological order by Jack B. Bale. I then indexed and reviewed them prior to submission to the Arizona Corporation Commission. I have not altered or tampered with the content of these documents.

I declare that the foregoing is true and correct to the best of my knowledge.

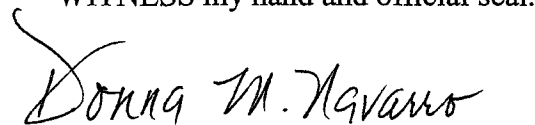
Executed this 14th day of August, 2001.

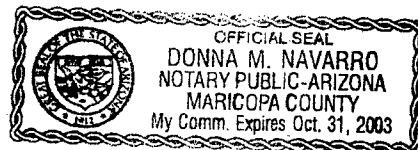
Maricopa County)
)ss
State of Arizona)


Lynn A. Keeling

On this 14 day of August, 2001, as Notary Public in and for said County and State, Jack B. Bale personally appeared and is personally known to me to be the person whose name is subscribed to this Affidavit and he acknowledged to me that he executed it for the purposes expressed therein.

WITNESS my hand and official seal.


Notary Public



4

JOHNSON WWTP

Doc	Source	Date	Description	File No.
			20k gpd Marwood Plant	970582
Letter	ADEQ	11/398	Determination of applicability for WWTP, may use a general permit	
Certificate	ADEQ	3/19/98	Approval to construct sewage facilities-collection system near Hunt Highway	980007
Certificate	ADEQ	5/1/98	Approval to construct Mar-Wood extended aeration WWTP and lift station	970582
Certificate	ADEQ	5/26/98	Approval to construct sewer lines, 3,892 LF for 138 lots of Johnson Ranch Unit 2 subdivision	980011
Certificate	ADEQ	5/26/98	Approval of sanitary facility - can't construct, need "as-built" plans	980009
Certificate	ADEQ	5/26/98	Approval to construct sewage collection system for Johnson Ranch, Unit 4A subdivision, 9,384 LF	980009
Certificate	ADEQ	5/26/98	Approval of sanitary facility-Johnson Ranch, Unit 4A, lots 1-253	980009
Letter	WLB	6/9/98	Approval for commencement of construction, Johnson Ranch Unit 4A	
Letter	ADEQ	6/15/98	Approval to construct sewage collection system 201kgpd (res & commercial), 787 res units, 27.8 commercial/school development area. Phased development.	980215
Letter	ADEQ	6/25/98	Approval of sanitary facility, Unit 3A, LOTS 1-164	980051
Letter	ADEQ	6/25/98	Approval to construct sewage facility, Unit 3A, 6kLF pipe, 22 manholes	980051
Letter	ADEQ	9/2/98	Reuse Permit for Precision Golf Course (east of Hunt) & Professional Golf Course (west of Hunt Highway)	R103081
Letter	ADEQ	9/8/98	APP and Reuse Permit for WWTP	
Letter	ADEQ	9/23/98	Approval of sanitary facility, Unit 3B, lots 1-91, collection system	980443
Letter	ADEQ	10/8/98	Approval to construct sewage treatment plan, 6 aerated lagoons (2-717kgal, 3.9Mgal 3-6.2Mgal), 2 wetlands, no discharge permitted.	980741
Letter	ADEQ	10/26/98	Approval of and to construct sewage collection system for Unit 1, lots 1-109, 26 manholes	980270
Letter	ADEQ	12/16/98	Approval of and to construct sewage collection system for Unit 6, lots 1-40, 4kLF lines, 12 manholes. Pumps sewage to line on Hunt Highway.	980501

JOHNSON WWTP

Doc	Source	Date	Description	File No.
Letter	WLB	3/23/99	Request for temporary vault & haul, 3 month solution for	
Letter	ADEQ	4/1/99	Denied vault & haul. 1) holding time too long, lack of approval to operate. Offered alternative vault & haul.	
Letter	ADEQ	5/6/99	Notice to sign consent order.	103081
Letter	ADEQ	5/12/99	Consent Order-failure to construct WWTP (980174) to approved plans.	P-105-99
Letter	ADEQ		Deadlines: 5/15/99 - Engineering report for 70 homes; within 30 days of eng report, submit as-built plans and testing data for interim system; complete construction of Johnson Ranch main WWTP by 10/31/99; approval to construct additional capacity by 7/10/99. Fines Days 1-30, \$500/day/violation, Days 31-60 \$1k/day/violation, Days 61 on \$1.5k/day/violation. Unauthorized discharges \$5k/day	
Letter	ADEQ	5/27/99	5/18/99 inspection, Effluent out of compliance with consent order, O&M out of compliance.	
Letter	WLB	5/29/99	Status report.	
Letter	WLB	6/1/99	Status report.	
Letter	WLB	6/2/99	Note to Bell regarding reuse permit of Marwood.	
Letter	WLB	8/4/99	Summary of notes. Some verbal authorization regarding Marwood, "as-built" no longer required for Precision Golf Course lake, reuse meets aquifer water quality standards, reuse permit modified, all the aforementioned needed for Marwood approval, separate approval to construct for connection to Marwood plant, need review of expansion of WWTP.	
Letter	Johnson	8/13/99	Acknowledgement of liability with 20-mil PCV membrane liner.	
Letter	ADEQ	9/1/99	Liner requirements.	
Certificate	ADEQ	9/3/99	Approval to construct pump station & force main Unit 4A and Area GG	990364
Letter	ADEQ	9/7/99	Modified Reuse Permit.	
Letter	Johnson	9/16/99	Request to modify consent order to add 80 homes for connection to Florence WWTP, vault and haul working.	
Letter	WLB	10/6/99	Clarification that master plan compliance is ongoing.	

JOHNSON WWTP

Doc	Source	Date	Description	File No.
Consent	ADEQ	10/8/99	Amendment to Consent Order P-105-99. Expands service to 80 more homes with vault & haul system, extends construction completion of WWTP to 10/31/99, and application to approval of construction and fees for conveyance from subdivision units 2 and 3, requires revised O&M plan, requires amended vault & haul plan for 80+ homes, map of additional homes.	
Approval	ADEQ	10/15/99	Approval of construction for Marwood extended aeration conveyance.	
Letter		10/15/99	Approval of construction for sewage collection to serve Unit 4A.	
Letter	WLB	10/15/99	Amendments to Wastewater operation plan per consent order.	
Newspaper	Republic	9/5/99	Second time Johnson Ranch withheld approval of subdivision report from Dept. of Real Estate because of delay in construction of WWTP.	
Letter	ADEQ	11/8/99	Denial of 7-day extension from 10/31/99 for construction. Notice of penalties \$500/day/violation. Liner excuse not accepted by ADEQ.	
Letter	Capital Pacific	12/1/99	Closed homes and vault and haul records.	
Letter	Johnson Attorney	12/30/99	Reza Azizi noted Johnson in violation of consent order. Phone call between attorney & Reza.	Confidential!
Letter	ADEQ	1/7/00	Note regarding approval to construct review by Don Bell.	
	WLB		WLB submitted as-builts with noted items of completion. Most noted as not done by ADEQ. Notes show October and November 1999 consent order deadlines still remain unmet, vault and haul now exceeds time limit for operation, 1/11/2000 received administratively complete WWTP approval of construction.	
Mtg Notes	ADEQ	1/24/00	Punch List. Of 22 items, gate fencing only completed item. 8 additional items for WWTP. Force main and list station requires construction per drawings, O&M manual updated, and testing rewritten.	Deficiencies.
Deficiencies	ADEQ	1/26/00	Punch List from 1/24/00.	
Letter	Johnson	2/3/00	Closings of 110 lots.	
Letter	WLB	2/4/00	Punchlist updated, 1-4, 6-8, 10, 17, 18, completed. Rest to be completed 2/11-2/29/00. O&M updated by 2/29/00.	
Letter	WLB	3/1/00	Punchlist updated, 2, 19, 20 not completed.	

JOHNSON WWTP

Doc	Source	Date	Description	File No.
Certificate	ADEQ	3/13/00	Approval to construct for modification to wetlands.	990421
		4/7/00	Approval of construction	980147
NOTES			Simple calc of 1 violation ongoing since 12/1/99 e.g. WWTP not operational \$15k days 1-30, \$30k days 31-60, \$75k days 61-90 for a total of \$115k for 1 violation. As built almost 6 months late.	980215 980051
Letter	ADEQ	6/19/00	Drinking and wastewater facilities to prepare certificates, Lakeview Gardens.	990420
Letter	ADEQ	6/19/00	Drinking and wastewater facilities to prepare certificates, Unit 7.	20000164
Letter	ADEQ	6/19/00	Drinking and wastewater facilities to prepare certificates, Unit 12.	20000165
Letter	ADEQ	6/19/00	Drinking and wastewater facilities to prepare certificates, Unit 8.	20000166
Letter	WLB	6/29/00	Construction of Unit 4B begins week of July 3, 2000.	20000218
Letter	ADEQ	7/5/00	Requirements for approval to construct Phase 2 wetlands.	990421
Letter	WLB	5/29/01	Annual inspection with futures, 300kgpd wwtpat Marwood treatment location (incorporate existing plant), build mechanical WWTP in San Tan Area and another to serve Mystic Lake area	
Letter	ADEQ	6/1/01	Inspection - Full Compliance	

#103081

BEFORE THE DIRECTOR OF THE
ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

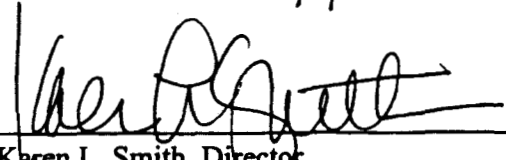
APR 28 2000

In the matter of:) SATISFACTION AND
) TERMINATION OF
Johnson Utilities, Inc., L.L.C.) CONSENT ORDER AND
5230 E. Shea Boulevard, Suite 200) AMENDMENT TO CONSENT ORDER
Scottsdale, Arizona 85254)
) Docket No. P-105-99

TO: Johnson Utilities, L.L.C., as owner and operator of the facility known as Johnson Ranch Main Wastewater Collection, Treatment, and Disposal System (Inventory # 103081) located 3 miles south of Queen Creek within the northern portion of Pinal County, Arizona.

The Water Quality Enforcement Unit of the Arizona Department of Environmental Quality ("ADEQ") has conducted site inspections and reviewed the documents submitted by Johnson Utilities, L.L.C., and issued Certificates of Approval of Construction in response to the Consent Order, Docket No. P-105-99 and Amendment to Consent Order, Docket No. P-105-99 issued by the Director of ADEQ on May 12, 1999, and October 8, 1999, respectively. Johnson Utilities, L.L.C., has demonstrated to the satisfaction of ADEQ, that all the terms of the Consent Order and Amendment to Consent Order have been completed.

Dated this 26th day of April 2000.


Karen L. Smith, Director
Water Quality Division
Arizona Department of Environmental Quality

ORIGINAL of the foregoing Satisfaction and Termination of Consent Order and Amendment to Consent order was filed this 26 day of April 2000, with:

LaVonne Watkins, Case Administrator
Office of Administrative Counsel
Arizona Department of Environmental Quality
3033 North Central Avenue, M0801
Phoenix, Arizona 85012

COPIES of the foregoing Satisfaction and Termination of Consent Order sent by Certified Mail, Return Receipt Requested, this 27 day of April 2000, to:

George H. Johnson, Owner
Johnson Utilities, L.L.C.
5230 E. Shea Boulevard
Scottsdale, Arizona 85254

Robert D. Anderson, Esq.
Storey & Pieroni
3030 E. Camelback Road, Suite 265
Phoenix, Arizona 85016

Tom Huetteman, Chief
CWA Compliance Office
U.S. EPA, Region IX
75 Hawthorne Street
San Francisco, California 94105

Ed Truman, Esq., Chief Counsel
Environmental Enforcement Section
Office of the Attorney General
1275 West Washington Street
Phoenix, Arizona 85007

Reg Gloss, Environmental Health Director
Pinal County Health Department
188 South Main
Coolidge, Arizona 85228

Steve Olea, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPIES of the foregoing Satisfaction and Termination of Consent Order
sent by regular/interoffice/interdepartmental mail this 27 day of April 2000, to:

M. Reza Azizi, Manager
Water Quality Enforcement Unit
Arizona Department of Environmental Quality
3033 North Central Avenue
Phoenix, Arizona 85012



5/103081

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

January 26, 2000
EU00-057

Mr. George H. Johnson, President
Johnson Utilities, L.L.C.
5320 E. Shea Boulevard
Scottsdale, AZ, 85254

RE: Consent Order Docket No. P-105-99; Johnson Ranch Utilities Wastewater Collection and Treatment Facilities Approval of Construction- Inventory No. 103081; Pinal County.

Dear Mr. Johnson:

Attached is a list of deficiencies that were identified during a compliance meeting which was held between the ADEQ's Water Quality Enforcement Unit (WQEU), yourself and Mr. Gerald Edwards, P.E., of the WLB Engineering, Inc., on January 24, 2000. All these deficiencies are associated with the newly constructed Main Pump Station and Force Main and the Main Wastewater Treatment Plant at the Johnson Ranch, Pinal County.

Please be advised that **an Approval of Construction (AOC) for the Johnson Ranch Main Wastewater Treatment Plant (WWTP) and its collection system can not be issued until all of these deficiencies are corrected and documented.** It is also noted that the referenced Main WWTP is currently being operated in violation of Arizona Administrative Code R18-9-805.B. and Consent Order Docket No. P-105-99. Furthermore, until such time that a **complete** AOC application for the referenced Main WWTP and sewer conveyance system is submitted to ADEQ, Johnson Ranch Utilities, L.L.C., will continue to be subject to the stipulated penalties listed in Section V of the above listed Consent Order. Please correct the deficiencies and submit the necessary documentation to this office as soon as possible.

Pursuant to Arizona Revised Statute § 49-262.A., should ADEQ determine in the future that operation of the newly constructed wastewater facilities at Johnson Ranch is creating an actual or potential endangerment to the public health or the environment, ADEQ may take appropriate action, including but not limited to seeking a temporary restraining order, a preliminary

Johnson Ranch Utilities
Approval of Construction Not Accepted
January 26, 2000

injunction, a permanent injunction or any other relief necessary to protect public health.
If you have any questions, please contact me at (602) 207-4614, or Don Bell at (602)207-4613
or Gary Harmon at (602)207-4504.

Sincerely

M. Reza Azizi

M. Reza Azizi, Manager
Water Quality Enforcement Unit

MRA:DGB:vh

Attachment

cc: Robert Anderson, Esq., Storey and Pieroni
Gerald Edwards, P.E., WLB Engineering, Inc.
Don Bush, Certified Operator
Reg Gloss, Env. Health Director, Pinal County Health Department

January 26, 2000

AOC Application Deficiency List for Johnson Ranch Utilities WWTF

The following is a list of deficiencies identified during a meeting between ADEQ and George Johnson, owner and CEO of Johnson Ranch Utilities, Gerald Edwards, P.E., of WLB Engineering. ADEQ was represented by Don Bell and Gary Harmon of the Water Quality Enforcement Unit.

I. Wastewater Treatment Plant, Wetlands and Reuse Distribution Systems:

A. The following are listed as incomplete items from the 1/7/00 letter from WLB to George Johnson, referencing the punch list. [The numbers are the same as those items listed in the letter]

5. Repair electrical box to #5 & #6 lagoons, damaged cover, not done.
6. Inlet splash pads to lagoons #5 & #6 reported not complete
7. Repair 6 inch inlet PVC line to lagoon #1 reported broken by electrical light installation, not done.
8. Outlet where influent lines all together at MH#1C which needs to be raised-not done.
9. Flap gate chains for opening closed interior lagoon valves to allow for discharge from ponds not installed.
10. Washed rock shelves still need hand work to level the influent lines and even the flow into the wetlands.
12. Aerators are due to be installed in lagoons 5&6 by 2/15/00.
13. Electrical wires from aerators in lagoon #4 need to be connected and the aerators become operational.
14. Installed of crushed rock base for the top of the lagoons and wetland dikes.
17. Curb and drain pad is 4X4 (not 8X8) and is not completed as described in the plans. Submit a compliance schedule as to when this will be completed or submit justification as to why this not constructed to the proper size.
18. Curb and drain pad at the force main lift station has not been constructed as per the plans.
20. Complete the reuse pumpstation and install the pumps. Reported to be completed by 2/29/00. Check valves and other appliances could be installed earlier.
21. Leakage testing of all plant manholes and other miscellaneous structures has not been completed by Olson precast.
22. Installation of the drywells along the east property line has not been completed. This is a requirement for the flood protection in the area. George Johnson to submit a schedule to complete this project or modify it within one week.

Johnson Rand Utilities
AOC Deficiency List
January 26, 2000

B. Other items at WWTP:

1. Flow meters on effluent lines are not installed. There is apparently a need to move these meters to a more convenient and meaningful location. Submit a modification and compliance schedule within one week.
2. Swing checks and other valves and pipes need to be installed at the reuse pump lift station prior to the installation of the reuse pumps.
3. Electrical control panels could be installed for the reuse pumps.
4. Back up generators needed at the lift stations and the treatment plant. These are needed to be on-site and in working order
5. The O&M manual will contain the items described in Chapter XI of ADEQ's Engineering Bulletin 11 and shall cover the collection system, the WWTP, the reuse system and the distribution system. Peter Marshand is to write the wetland plant material section for the O&M manual. The O&M manual shall have a specific section for operational data as required by A.A.C. R18-9-812. The plant shall maintain daily operational records as required by this rule. The O&M manual shall be certified by an Arizona registered engineer.
6. Testing data for the PVC liners needs to be completed and submitted again.

II. THE FORCE MAIN AND LIFT STATION

1. The concrete wash pad, curb and drain was not constructed as required by the drawings. Provide a compliance schedule as to when the construction will be complete or justify why this pad was not built to specifications.
2. O&M manual needs to reflect the proper manner to empty the grit chamber.
3. O&M manual needed for the collection system and lift stations.
4. The hydrostatic testing needs to be rewritten to clarify the testing data and who witnessed these tests.

DGB:vh

NOTES FROM THE 1/24/00 MEETING

Present were:

George Johnson

Gerald Edwards -WLB Engineering

Gary Harmon and Don Bell of ADEQ WQ Enforcement Unit.

Testing data for the PVC liners needs to be completed and submitted again.

Jack Bratle will resubmit. When?

From the 1/7/00 letter from WLB to George Johnson, RE: Punch list

1. Entrance gate fencing around valves-reported complete
2. Valve Stems extensions and valve boxes in the lagoon and wetlands areas-reported started but not completed.
3. Valve covers (2) located at the mainline tee west of the lagoons-change lid or remove word "water".-reported not done
4. Extension of the 6 in PVC line 1 ft. out past the dike (north small pond #2)-reported not done.
5. Repair electrical box to #5 & #6 lagoons, damaged cover, not done.
6. Inlet splash pads to lagoons #5 & #6 reported not complete
7. Repair 6 inch inlet PVC line to lagoon #1 reported broken by electrical light installation, not done.
8. Outlet where influent lines all together at MH#1C which needs to be raised-not done.
9. Flap gate chains for opening closed interior lagoon valves to allow for discharge from ponds not installed.
10. Washed rock shelves still need hand work to level the influent lines and even the flow into the wetlands.
11. Pumpstation force main vault lids not installed yet.
12. Aerators are due to be installed in lagoons 5&6 by 2/15/00.
13. Electrical wires from aerators in lagoon #4 need to be connected and the aerators become operational.
14. & 16. Installed of crushed rock base for the top of the lagoons and wetland dikes and the parking lots and roads.-George is to submit a modification for this and a compliance schedule as to when this will be accomplished. Part of AOC.
15. Access ramp, and it's pavement of gravel covering, not completed. Part of AOC.
17. Curb and drain pad is 4X4 (not 8X8) and is not completed as described in the plans. Submit a compliance schedule as to when this will be completed or submit justification as to why this not constructed to the proper size.
18. Curb and drain pad at the force main lift station has not been constructed as per the plans.
19. Installation of the yard lights has not been completed.
20. Complete the reuse pumpstation and install the pumps. Reported to be completed by 2/29/00. Check valves and other appliances could be installed earlier.
21. Leakage testing of all plant manholes and other miscellaneous structures has not been completed by Olson precast.
22. Installation of the drywells along the east property line has not been completed. This is a

requirement for the flood protection in the area. George Johnson to submit a schedule to complete this project or modify it within one week.

Other items at WWTP:

- a. Flow meters on effluent lines are not installed. There is apparently a need to move these meters to a more convenient and meaningful location. Submit a modification and compliance schedule within one week.
- b. Valve boxes required for the gates to the lagoons from the reuse lines.
- c. Swing checks and other valves and pipes could be installed at the reuse pump lift station prior to the installation of the reuse pumps.
- d. Electrical control panels could be installed for the reuse pumps.
- e. Back up generators needed at the lift stations and the treatment plant, or justification.
- f. The O&M manual will contain the items described in Chapter XI of ADEQ's Engineering Bulletin 11 and shall cover the collection system, the WWTP, the reuse system and the distribution system. Peter Marshand is to write the wetland plant material section for the O&M manual.
- g. The O&M manual shall have a specific section for operational data as required by A.A.C. R18-9-812. The plant shall maintain daily operational records as required by this rule.
- h. The operation and maintenance manual shall be certified by an Arizona registered engineer.

THE FORCE MAIN AND LIFT STATION.

- a. The concrete wash pad, curb and drain was not constructed as required by the drawings. Provide a compliance schedule as to when the construction will be complete or justify why this pad was not built to specifications.
- b. O&M manual needs to reflect the proper manner to empty the grit chamber.
- c. O&M manual needed for the collection system and lift stations.
- d. Sheet 4 does not identify whether or not the crossing was ductile or concrete.
- e. The hydrostatic testing needs to be rewritten to clarify the testing data and who witnessed these tests.

cc: George Johnson fax: 480-483-7908
Gerry Edwards, WLB Eng. Fax: 520-881-7492
Don Bush fax- 480-471-4354



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

REF#: EU99-0624

November 8, 1999

George Johnson, CEO
Johnson Utilities
P.O. Box 87
Queen Creek, Arizona 85242

RE: Johnson Utilities, L.L.C. Consent Order Docket No. P-105-99-Status Review; Pinal County. Inventory No. 103081

Dear Mr. Johnson:

The Water Quality Enforcement Unit (WQEU) has received your October 29, 1999, request for a seven (7) day extension of the October 31, 1999, deadline for completion of construction of the Johnson Ranch WWTP and sewer conveyance system from subdivision unit no.s 2 and 3. As you know, Don Bell and Gary Harmon of the WQEU visited the site on November 1, 1999, to observe the progress of construction at Johnson Ranch. While at the site, Mr. Harmon and Mr. Bell were informed that construction of the following components had not been completed.

1. The pump station / force main, including the installation of various elements such as pumps, air release valves.
2. The pipelines and pump station leading from the wetlands to effluent storage ponds
3. Aeration equipment as required by the Approval to Construct issued for the WWTP.

In your October 29, 1999, letter you stated that ADEQ's response to construction issues, such as the delay in approval of the lagoon liner, made it difficult to meet the deadline. However, ADEQ's approval of the liner did not affect the ability of Johnson Utilities to complete construction of the other components of the system mentioned above. Therefore, after considerable review and discussion of the circumstances surrounding your request, we have determined that an extension of the deadline is not warranted.

Please notify Don Bell at (602)207-4613 at least twenty-four (24) hours prior to completion of construction of the Johnson Ranch main wastewater treatment and conveyance system. In

Johnson Utilities
November 8, 1999
Page 2

addition, upon completion of construction, please submit a report describing the date on which construction of the wastewater treatment and conveyance system was completed. For each component of the wastewater treatment and conveyance system for which construction was not completed by October 31, 1999, please state why Johnson Utilities was unable to complete construction of each of those components by the deadline stated in the Consent Order. Any period of delay experienced by Johnson Utilities should, in addition to a description of the event, include the dates on which the delay began and ended.

Pursuant to Section V of the Consent Order, Johnson Utilities is subject to a penalty of five hundred dollars (\$500) for each day the violation continues. Upon receipt of the report describing the duration of and reasons for the delay in completing construction, the WQEU will evaluate the applicability and size of the stipulated penalties.

If you have any questions, please contact me at (602) 207-4614, or Don Bell of my staff at (602) 207-4613.

Sincerely,



M. Reza Azizi, Manager
Water Quality Enforcement Unit

MRA:dgb:jaf

cc: Don Bell, Water Quality Enforcement Unit
Gary Harmon, Compliance Engineer, WQ Compliance Unit
Richard Campbell, Storey & Pieroni PLC

BEFORE THE DIRECTOR OF THE
ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

In the matter of:)	
)	
Johnson Utilities, L.L.C.)	CONSENT ORDER
5230 E. Shea Boulevard)	
Scottsdale, Arizona 85254)	DOCKET NO. <u>P-105-99</u>
)	
)	

TO: Johnson Utilities, L.L.C. (Johnson Utilities), as owner and operator of the facility known as Johnson Ranch Main Wastewater Collection, Treatment and Disposal System located 3 miles south of Queen Creek within the northern portion of Pinal County, Arizona.

Johnson Utilities acknowledges that no promise of any kind or nature was made to induce it to enter into this Consent Order and that it has done so voluntarily.

The undersigned, representative, George H. Johnson, Manager of Johnson Utilities, certifies that he is fully authorized to execute this Consent Order on behalf of Johnson Utilities and to legally bind Johnson Utilities to this Consent Order.

Johnson Utilities admits the jurisdiction of the Director (Director) of the Arizona Department of Environmental Quality (ADEQ).

Johnson Utilities consents to the terms and entry of this Consent Order and agrees not to contest the validity or terms of this Consent Order in any subsequent proceeding.

THEREFORE, IT IS HEREBY ORDERED as follows:

I. JURISDICTION

A. The Director of ADEQ has jurisdiction over the subject matter of the action and is authorized to issue this order pursuant to A.R.S. §49-261.A.

B. The Director of ADEQ has personal jurisdiction over Johnson Utilities and George H. Johnson.

II. FINDINGS OF FACT

A. Johnson Utilities is the owner and operator of the Johnson Ranch main wastewater collection, treatment and distribution System, serving the Johnson Ranch Master Planned Community located 3 miles south of Queen Creek within the northern section of Pinal County, Arizona. George Johnson is the Manager of Johnson Utilities.

B. Approvals to Construct (ATC) for the following projects have been issued to Johnson Utilities on the dates indicated:

- a. The Trunk Sewer line (980270) was issued on March 19, 1998.
- b. Subdivision No. 2 (980011) was issued on May 26, 1998.
- c. The Hunt Highway and New Magma Channel (980215) was issued on June 15, 1998.
- d. Subdivision No. 3A (980051) was issued on July 1, 1998.
- e. Subdivision No. 3 B (980443) was issued on September 23, 1998.
- f. The Johnson Ranch Main Wastewater Treatment Plant (980174) for Johnson Subdivisions was issued on October 8, 1998.

C. Johnson Utilities failed to construct the Johnson Ranch Main Wastewater Collection, Treatment, and Disposal System in accordance with plans approved by ADEQ.

D. Johnson Utilities has obtained Aquifer Protection Permit No. P103081 and Reuse Permit No. 103081 for the Johnson Ranch Wastewater Collection System and Wastewater Treatment Plant (WWTP).

III. CONCLUSIONS OF LAW

A. The Johnson Ranch Wastewater Collection System and WWTP are facilities within the meaning of Arizona Revised Statute (A.R.S.) § 49-201.16.

B. The Johnson Ranch Main Wastewater Collection System and Johnson Ranch Main WWTP, and their owner and operator, Johnson Utilities, are each a "person" within the meaning of A.R.S. § 49-201.24 and Arizona Administrative Code (A.A.C.) R18-9-802.F.

C. Johnson Utilities failed to construct the main Wastewater Collection, Treatment and Disposal systems in accordance with plans approved by ADEQ in violation of A.A.C. R18-9-804.G.

IV. COMPLIANCE SCHEDULE

THE DIRECTOR ORDERS and Johnson Utilities agrees that Johnson Utilities shall take the following compliance actions immediately or as expressly set forth in the compliance schedule below:

A. INTERIM WASTEWATER SYSTEM :

1. No later than May 15, 1999, Johnson Utilities shall submit for approval by ADEQ, an engineering report certified by an Arizona registered engineer, describing the method by which Johnson Utilities will provide an interim sewage conveyance, treatment, and disposal System that will adequately serve seventy (70) homes during the interim period prior to completing the construction of the Johnson Ranch Main WWTP. This proposed System may utilize those portions of the sewer conveyance and treatment System that have already received an Approval to Construct (ATC) from ADEQ. This engineering report shall include, at a minimum, the following:

- a. A schedule indicating when the proposed interim wastewater System will be implemented once approved by ADEQ, and the proposed maximum duration that the interim System will be operated.
- b. An engineering design report and design drawings that describe the entire proposed interim wastewater conveyance, treatment, and disposal System.
- c. A description of the method by which the proposed interim wastewater System shall be monitored, operated, and maintained. This shall include the frequency and nature of System monitoring, and the frequency in which the wastewater shall be vaulted and hauled.
- d. A map and written description of the location and the address of the seventy (70) homes that will be served by the interim System, the projected maximum daily flows associated with those connections, and

the approximate dates on which Johnson Utilities proposes to connect each of the seventy (70) homes.

2. Within 30 days of approval by ADEQ of the proposed interim wastewater System, submitted pursuant to Section IV.A.1., Johnson Utilities shall submit the following information for final approval by ADEQ: (a) Construction as-built plans; (b) Testing data; (c) An Arizona Registered Engineer's Certificate of Completion; and (d) Associated fees (as per A.A.C. R18-9-123 and R18-9-805) for any and all aspects of the interim System. No portion of the interim System may be utilized prior to receiving written approval by ADEQ. Nothing approved for the interim operation of this facility shall be considered as a permanent Approval of Construction for any facility.

B. INTERIM HOUSING ADDITIONS : A maximum of seventy (70) houses for Johnson Ranch Subdivisions shall be allowed to connect to the interim wastewater System approved by ADEQ.

C. VAULT AND HAUL RECORDS : Receipts for the vault and haul service, including the date, time, and volumes hauled to each location shall be recorded and submitted with the monthly reports required by Section VI.A of this Consent Order. All vault and haul operations shall be conducted utilizing trucks properly permitted such purpose by Pinal county and ADEQ.

D. COMPLETION OF CONSTRUCTION OF JOHNSON RANCH MAIN WWTP:

1. No later than **October 31, 1999**, Johnson Utilities shall complete construction of the Johnson Ranch Main WWTP and sewer conveyance System from subdivision unit no.s 2 and 3 to the main WWTP.

2. No later than **November 30, 1999**, Johnson Utilities shall submit a complete application for an AOC, and associated fees pursuant to A.A.C. R18-14-101 et seq, for the Johnson Ranch Main WWTP and sewer conveyance System from subdivision unit no.2 and 3. The application for an AOC for this project shall include but not be limited to as-builts, construction testing data and an Arizona Engineers Certificate of Completion.

E. APPROVAL TO CONSTRUCT ADDITIONAL CAPACITY TO THE JOHNSON RANCH MAIN WWTP. By **July 10, 1999**, Johnson Utilities shall submit an application for an Approval to Construct additional capacity for the Johnson Ranch Main WWTP. The engineering calculations shall indicate the Johnson Ranch planned housing construction for the next three years and a schedule indicating when construction of the WWTP expansion will be initiated and completed once approved by ADEQ to ensure adequate wastewater treatment and disposal capacity to serve the subdivisions over the next three years.

F. UNAUTHORIZED RELEASES: Any unauthorized release or discharge shall be reported to ADEQ **within 24 hours** of discovering the violation. **No later than five (5) days** after discovering the violation, a written report shall be submitted to ADEQ describing the date and time of occurrence, amount released, cause of the event, impact to public health and/or the environment, any actions taken to mitigate impacts to public health and/or the environment, and any remedial activities that have been or will be conducted.

V. STIPULATED PENALTIES

A. If Johnson Ranch Utilities, L.L.C. fails to comply with any requirements of the Compliance Schedule described in Section IV of this Consent Order, Johnson Utilities shall pay a stipulated penalty pursuant to the schedule below:

<u>Period of Failure to Comply</u>	<u>Penalty Per Day of Violation</u>
1st to 30th day	\$ 500/day per violation
31st to 60th day	\$1000/day per violation
After 60 days	\$1500/day per violation

Payments shall be made pursuant to the provisions described in Section V.D. below.

B. Any unauthorized discharges or spills of wastewater subjects Johnson Utilities to a stipulated penalty of \$5000 per day.

C. Except as otherwise provided herein, stipulated penalties shall begin to accrue on the day that performance is due or that a violation of the Compliance Schedule occurs and shall continue to accrue until correction of the act of noncompliance is completed. Neither issuance by ADEQ nor receipt by Johnson Utilities of a notice of noncompliance with the terms and conditions of this Consent Order are conditions precedent to the accrual of stipulated penalties.

D. Stipulated penalty payments shall be made within 14 calendar days following written demand by ADEQ. Payment to ADEQ shall be made by certified check payable to:

Mike Clark, Chief Financial Officer
Arizona Department of Environmental Quality
3033 North Central Avenue
Phoenix, Arizona 85012
Reference: Consent Order Docket No.

E. Johnson Utilities shall pay interest on any stipulated penalty not paid within thirty (30) days of the due date at the rate established pursuant to A.R.S. §44-1201.

F. The stipulated penalties herein shall be in addition to other remedies or sanctions available to ADEQ by reason of any failure by Johnson Utilities to comply with the requirements of this Consent Order. The payment of stipulated penalties shall not relieve Johnson Utilities from specific compliance with the terms and conditions of this Consent Order or federal or state laws, nor limit the authority of the state to require compliance with the Consent Order or state law.

G. Performance deadlines ending on a weekend or legal holiday date shall be considered met if delivered on the first work date following the prescribed date.

VI. REPORTING

A. THE DIRECTOR FURTHER ORDERS, and Johnson Utilities agrees that Johnson Utilities shall submit a written status report to ADEQ every thirty (30) calendar days beginning thirty (30) days from receipt of this Consent Order, until full compliance with this Consent Order is achieved. The written status reports shall describe through narrative form and in a subdivision map, the address of each home allowed connection to the ADEQ approved interim wastewater System, what measures have been taken to correct the violations described in this Consent Order, the results of monitoring required by Section IV.C, and shall certify when compliance with the requirements of Section IV of this Consent Order are achieved. Each report shall be accompanied by evidence of compliance including, as

appropriate, submittal of documents, photographs or copies of any other supporting information which ADEQ deems necessary.

B. ADEQ will review the status reports and relay its findings in writing to Johnson Utilities. Johnson Utilities shall incorporate all required modifications, changes or other alterations, as requested by ADEQ, within a reasonable time specified by ADEQ.

C. All documents, materials, plans and other items submitted to ADEQ in accordance with this Consent Order shall be transmitted to the following address:

Arizona Department of Environmental Quality
Water Quality Division
Water Quality Enforcement Unit, 5th Floor
3033 North Central Avenue
Phoenix, Arizona 85012
Attention: Pat Finton
Telephone: (602) 207-4693

D. All documents, materials, plans and other items submitted to ADEQ in accordance with this Consent Order shall be deemed submitted when postmarked, return receipt requested, or accepted for delivery by a commercial delivery service, or hand delivered.

VII. GENERAL PROVISIONS

A. This Consent Order does not encompass issues regarding violations, releases, contamination, sources, operations, facilities or processes not expressly covered by the terms of this Consent Order and is without prejudice to the rights of the State of Arizona arising under any Federal or Arizona environmental statutes, rules or regulations with regard to such issues.

B. Nothing in this Consent Order shall constitute a permit of any kind, or modification of any permit of any kind, or an agreement to issue a permit of any kind under federal, state or local law, or relieve Johnson Utilities in any manner of its obligation to apply for, obtain, and comply with all applicable permits. Nothing in this Consent Order shall in any way alter, modify or revoke federal, state or local law, or relieve Johnson Utilities in any manner of its obligations to comply with such laws. Compliance with the terms of this Consent Order shall be no defense to any action to enforce any such permits laws.

C. Johnson Utilities shall perform all requirements of this Consent Order according to the time limits set forth, unless performance is prevented or delayed by events which constitute a *force majeure*. *Force majeure*, for the purpose of this Consent Order, is defined as any event, arising from causes beyond the control of Johnson Utilities, which delays or prevents performance of any obligation under this Consent Order. The financial inability of Johnson Utilities to comply with the terms of this Consent Order shall not constitute a *force majeure*.

D. In the event of a *force majeure*, the time for performance of the activity affected by the *force majeure* shall be extended for a period no longer than the delay caused by the *force majeure*. The time for performance of any activity dependent on the delayed activity shall be similarly extended. In the event of a *force majeure*, Johnson Utilities shall notify ADEQ in writing within ten (10) calendar days after its occurrence. The written notice provided to ADEQ shall describe in detail the event, the anticipated delay, the measures taken and to be taken by Johnson Utilities to prevent or minimize the delay, and the timetable under which those measures will be implemented. Johnson Utilities shall take all reasonable

measures to prevent or minimize any delay caused by the *force majeure*. Failure of Johnson Utilities to comply with any requirement of this paragraph for a particular event shall constitute a waiver of its right to request an extension of time to fulfill any obligation under this Consent Order relating to that event.

E. ADEQ shall have the right: to disapprove work performed by Johnson Utilities that fails to comply with this Consent Order; to take enforcement action for any and all violations of this Consent Order; and to take action for any and all violations of State or Federal environmental laws occurring after the entry of this Consent Order.

F. Failure to comply with this Consent Order may subject Johnson Utilities to judicial action and civil penalties.

G. ADEQ may at any time, upon presentation of credentials to authorized personnel on duty, enter upon the premises of the Facility for the purpose of observing and monitoring compliance with the provisions of this Consent Order. This right of entry shall be in addition to, and not in limitation of or substitution for, ADEQ's rights under applicable law.

H. The provisions of this Consent Order are severable. If any provision of this Consent Order is declared by a court of law to be invalid or unenforceable, all other provisions of this Consent Order shall remain in full force and effect.

I. This Consent Order is based solely upon currently available information. If additional information is discovered which indicates that the actions taken under this Consent Order are or will be inadequate to protect the public health, welfare, or the environment, or to conform with applicable federal or state laws, ADEQ shall have the right to require further action.

J. Any modifications of this Consent Order shall be in writing and approved by Johnson Utilities and the Director, however, minor alterations in times for performance of actions provided herein that do not constitute a force majeure may be orally requested by Johnson Utilities and consented to by ADEQ.

K. The effective date of this Consent Order shall be the date this Consent Order is signed by ADEQ.

VIII. TERMINATION

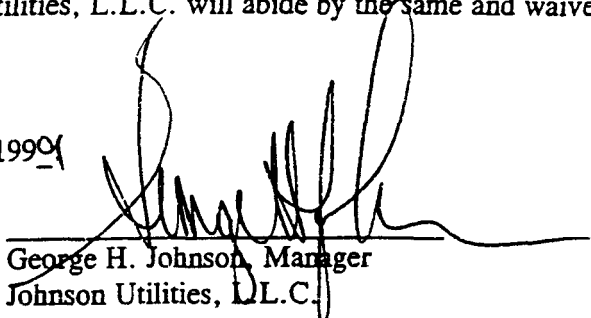
This Consent Order may be terminated when the following actions have been completed:

1. Approvals of Construction have been issued for the Johnson Ranch wastewater facilities listed in Section II.B of this Order.
2. All the requirements of Sections IV (Compliance Schedule) and VI (Reporting) of this Consent Order have been fulfilled.
3. Johnson Utilities has paid all penalties due under this Consent Order if applicable.
4. A letter indicating completion of the above items has been issued by ADEQ.

CONSENT TO ORDER

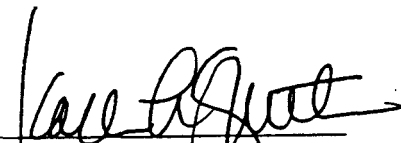
The undersigned, on behalf of the Johnson Utilities, L.L.C., hereby acknowledges that Johnson Utilities, L.L.C. was represented by counsel and, having read the foregoing Consent Order in its entirety, agrees with the statements made therein, consents to its issuance by the Director, agrees that the Johnson Utilities, L.L.C. will abide by the same and waives any right to appeal.

DATED this 10 day of May, 1999



George H. Johnson, Manager
Johnson Utilities, L.L.C.

ISSUED this 12th day of May, 1999.



Karen L. Smith, Director
Water Quality Division
Arizona Department of Environmental Quality

ORIGINAL of the foregoing Consent Order was filed this 12 day of May, 1999, with:

Lavonne Watkins, Case Manager
Office of Administrative Council
Arizona Department of Environmental Quality
3033 North Central Avenue
Phoenix, AZ 85012

DUPLICATE ORIGINAL of the foregoing Consent Order was sent by Certified Mail, Return Receipt Requested this 13 day of May, 1999, or hand delivered to:

George H. Johnson, Owner
Johnson Utilities
5230 E. Shea Boulevard
Scottsdale, Arizona 85254

COPIES of the foregoing Consent Order were sent through regular/inter/intradepartmental mail to the following:

Robert D. Anderson
Storey & Pieroni
3030 E. Camelback Road, Suite 265
Phoenix, Arizona 85016

Patrick J. Cunningham, Esq.
Chief Counsel
Environmental Enforcement Section
Office of the Attorney General
1275 West Washington Street
Phoenix, Arizona 85007

Reg Gloss, Environmental Health Director
Pinal County Health Department
188 South Main
Coolidge, Arizona 85228

M. Reza Azizi, Manager
Water Quality Enforcement Unit
Water Quality Division
3033 North Central Avenue
Phoenix, Arizona 85012

**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
INTEROFFICE MEMORANDUM**

TO: Karen L. Smith, Director *KLS*
Water Quality Division

THRU: Henry Darwin, Manager *HRD*
Water Quality Compliance Section

FROM: *for* M. Reza Azizi, Manager *KSM*
Water Quality Enforcement Unit

DATE: May 6, 1999

RE: Johnson Ranch Utilities, L.L.C. Consent Order- Inventory No. 103081 ; Pinal
County

Attached for your signature are two original copies of the Johnson Ranch Utilities, L.L.C. Consent Order negotiated with George Johnson, Manager of Johnson Ranch Utilities, L.L.C. The Water Quality Enforcement Unit (WQEU) recommends that you sign this Order which is designed to ensure implementation of an acceptable interim vault and haul system prior to occupation of new homes by their owners. The interim system allows the use of existing sewer lines to collect sewage which will then be hauled to the Town of Florence Wastewater Treatment Plant for treatment and proper disposal.

The Johnson Ranch community will eventually be served by a new wastewater treatment plant (WWTP) which has been approved but not constructed. ADEQ has agreed to allow up to seventy (70) homes to be built and occupied using the interim vault and haul system. However, additional connections will not be permitted until the new WWTP is constructed by October 30, 1999. Failure to comply with the terms of the Consent Order will subject Johnson Ranch Utilities, L.L.C., to stipulated penalties.

If you have any questions or require additional information, please contact me at X4614 or Don Bell at X4613.

JOHNSON UTILITIES
PWS 11-116 11-128

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
BEFORE JOHNSON PURCHASED							
Letter	ADEQ	Maston	05/10/1996	PWS 11-116	Backflow prevention plan not in compliance. Sent to Sun Valley Farms, Larry Quick.		
NOV	ADEQ	James Maston (letter), NOV from John Eyre	06/30/1995	PWS 11-116	To Tri West Investments Inc. Sun Valley Farms Unit V. No certified operation, failure to maintain cleanliness of well site, failure to post state well numbers, failure to grade well site, failure to install adequate well seal, failure to provide adequate direct openings, failure to protect well from vent, failure to install overflow pipe on storage tank, failure to construct splash block, failure to secure hatch of storage tank, failure to install target guage on storage tank, failure to maintain 20 psi, undersized or unapproved pipe material, failure to obtain approval to construct (for approval of construction), failure to obtain final inspection of newly constructed water system or extension, no microbial sampling, no implementation of BPA program, failure to submit emergency plan.		
Letter	ADEQ	John Eyre	04/14/1997	PWS 11-116	To Sun Valley Domestic Water Improvement District, Larry Quick. Failure to maintain 20 psi, failure to submit bacteriological site sampling, failure to have adequate BPA program, failure to submit adequate emergency plan, failure to repair leaks, failure to service all facilities (lack of routine maintenance), failure to provide satisfactory service to customers.		
Letter	Lawyer	Ellis, Baker & Porter	04/24/1997	PWS 11-116	Response to Sun Valley Domestic Water Improvement District NOV does not own any water supply or domestic water system. Homeowners responsible.		

**JOHNSON UTILITIES
PWS 11-116 11-128**

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
Affidavit	Capitol Times		12/30/1997		Articles of Incorporation for Johnson Utilities, LLC.		
Letter	WLB	Brian Tompsett	01/08/1998	Johnson Ranch Unit 2, 138 lots, West of Hunt Highway south of Bella Vista Road	Application and documents for approval of sanitary facility for Johnson Ranch, water & sewer agreement, application for APP, application for approval to construct, soils investigation, fee.		
Certificate	ADEQ	William H. Shafer	12/08/1998	Johnson Ranch Unit 6	Certificate of approval to construct drinking water distribution system Unit 6, lots 1-40. 3,900 LF line, 8 hydrants and 12 inch connection on Johnson Ranch Blvd.		
Letter	WLB	Brian Tompsett	02/24/1998	WLB 195071A001	Application for Johnson Ranch Water Treatment Plant, for approval to construct.		
Letter	ADEQ	Janak Desai	03/17/1998	980115, Water Treatment Plant	Issues: approval for well #4, may need nitrate treatment removal, need bacteriological results, specifications for the reverse osmosis unit, blending plan.	nitrate 9.2 mg/l	
Letter	WLB	Brian Tompsett	04/02/1998	980115	Well 4 authorized, wells supplying plant part of file 980006		
Certificate	ADEQ	William H. Shafer	04/21/1998	980006	Certificate to construct water facility of wells 3,4,5, 6,400 LF of water lines subject to approval to construct file 980115		
JOHNSON TOOK THE FOLLOWING ACTIONS							
Letter	ADEQ	William H. Shafer	05/10/1998	980011, Unit 2	Approval of construction water distribution system of 6,000 LF line at Johnson Ranch Unit 2 subdivision.		
Certificate	ADEQ	William H. Shafer	05/15/1998	980011	Certificate of approval to construct distribution system, can't operate.		
Certificate	ADEQ	William H. Shafer	05/15/1998	980115	Certificate of approval to construct 500,000 gal water tank, 5,000 gallon hydropneumatic, reverse osmosis unit, booster pumps for Phase I water treatment and storage project for Johnson Ranch.		

**JOHNSON UTILITIES
PWS 11-116 11-128**

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
Letter	Johnson International	Kenny Watkins	05/20/1998	980115	Notice construction began on Johnson Ranch Water Treatment Facility.		
Certificate	ADEQ	Edwin Swanson	05/26/1998	980011	Certificate of approval of sanitary facilities, lots 1-138		
Certificate	ADEQ	William H. Shafer	05/26/1998	980009	Certificate of approval to construct water distribution system, Unit 4A, lots 1-253, 10,800 LF pipe, 15 hydrants.		
Certificate	ADEQ	William H. Shafer	06/22/1998	980051	Certificate of approval for Unit 3A lot 1-164, 5,100 LF pipe and 11 hydrants.		
Certificate	ADEQ	William H. Shafer	09/23/1998	980443	Lots 1-91 certificate of approval to construct water distribution system, Unit 3B.		
Certificate	ADEQ	William H. Shafer	10/21/1998	980270	Lots 1-109 certificate of approval to construct water distribution system, Unit 1.		William H. Thompson
Clipped Approvals	ADEQ				Johnson Utilities operating at Johnson Ranch.		
AFTER JOHNSON PURCHASED							
Letter	ADEQ	Jeff Beimer	03/26/1999	980011 & 980115 & 980051	Pressure test results, missing information, microbial test results,		Grant K Hinderer, WLB
Letter	ADEQ	Jeff Beimer	04/15/1999	980006 (well 4), 980009 (Unit 4A), 980011 (Unit 2), 980051 (Unit 3A), 980115 (Water Plant)	Additional Missing information for approvals of construction. Engineering certificate, test results, modification to reduce nitrate levels at wells 3 and 5, pressure test and microbial data.		Paul Hendricks, Brian Thompson
Letter	WLB	Grant Hinderer	05/05/1999	Johnson Ranch Units 2, 3A and Water Plant No. 1	Additional testing results for approval for construction Unit 2, 3A and water plant no 1, Paul Hendricks contracted to operate the water plant.		Paul Hendricks (EUS), Sean Walters (Sunbelt)
Letter	ADEQ	William H. Shafer	05/10/1999	980051	Approval of construction unit 3A, lots 1-132. Separate AOC must be made for water main along royal Oak Way serving lots 150-164		

**JOHNSON UTILITIES
PWS 11-116 11-128**

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
Letter	ADEQ	William H. Shafer	05/10/1998	980115	Approval for construction 500,000 gal tank, 5,000 gal hydropneumatic tank, booster pumps for Phase 1. Pressure test data from 980006 needed of transmission to main.		
Letter	WLB	Grant Hinderer	05/12/1999	980006	Provided 980006 data needed for 980115.		Paul Hendricks, Sean Walters
Letter	ADEQ	William H. Shafer	05/18/1999	980006	Approval of construction for use of well 4 (not wells 3 & 5), water transmission main and phase I, 6,500 pipe. Must test monthly for nitrates.		
Telephone Contact	ADEQ	Nina Kondos, CC Mike Thompson	05/26/1999	PWS 11-116, Sun Valley Farms Unit 5 WID	Johnson purchased PWS 11-116 in January 1999, probably not in compliance		Paul Hendricks, certified operator
Telephone Contact	ADEQ	Nina Kondos, CC Mike Thompson	05/26/1999	PWS 11-116, Sun Valley Farms Unit 5 WID	Nedra Quick, Treasurer of Sun Valley Farms Unit V stated that WID believed it would cost \$800,000 to bring system into compliance, so it was sold to Johnson Utilities. Three wells, but only one in use.		Paul Hendricks, certified operator
Letter	EUS	Paul Hendricks	05/27/1999	PWS 11-116	Certified operation and knowledge of ongoing nitrate problem.		
Telephone Contact	ADEQ	Nina Kondos	06/01/1999	PWS 11-116	Paul Hendricks certified operator, aware of nitrate sample 7/25/97 at 13.7 mg/L. Need increased testing and public notice.		Paul Hendricks
Letter	EUS	Paul Hendricks	06/08/1999	PWS 11-116	Request for compliance issues.		copies to Joan Bulanowski, Marge Anderson
Letter	ADEQ	Nina Kondos	06/14/1999	PWS 11-116	Request for information to replace mains and proceed on sampling.		Paul Hendricks
Letter	ADWR	Christa McJunkin	08/10/1999	PWS 11-116	Unresolved Nitrates 13.7 mg/l MCL and major monitoring deficiencies.		

JOHNSON UTILITIES
PWS 11-116 11-128

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
Work Sheet	ADEQ	Nina Kondos	08/06/1999	PWS 11-116	Community Water System Work Sheet- Major deficiencies: 1996-1998 no cyanide results.	1995 4Q combined nitrate/nitrite 13.1 mg/L, 1996 1Q combined nitrate/nitrite of 10.7, 1997 3Q, nitrate 13.7 mg/l, 1998-1999 no results! Missing synthetic organic chemicals 1996-1998, no lead & copper results	
Work Sheet	ADEQ	Nina Kondos	08/19/1999	PWS 11-116	Major deficiencies, NOV issued 4/17/97, failed sanitary survey.	nitrate mcl 13.2 7/25/97, missed monitoring for cyanide 1/1/96 and 1/1/97	
Letter	Johnson Utilities	George Johnson	08/20/1999	PWS 11-116	Received Community Work Sheet desire to address issues		
Letter	ADEQ	Nina Kondos	08/22/1999	PWS 11-116, 11-128	Compliance Status requested by Devin Tietjen. Major Deficiencies noted. Trying to get information on why service is delayed in closing.		Sent to Arizona Corporation Commission

**JOHNSON UTILITIES
PWS 11-116 11-128**

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
Letter	Johnson International	George Johnson	09/20/1999	PWS 11-116, 11-128	Action plan for deficiencies.		Paul Hendricks, paul manera, Brian Tompsett, Robert Anderson, Richard Campbell
Letter	ADEQ	Melanie Barton	10/08/1999	PWS 11-116	Sample public notice to Ms. Adkinson in Florence.		
Letter	Johnson		10/12/1999	PWS 11-116, 11-128	Annual Consumer Confidence Report with notice of high nitrates.		
Missing!			10/13/1999		Violation for fecal coliform in water. See 11/15/99 letter.	Fecal coliform	
Phone Note	ADEQ	Melanie Barton	10/19/1999	PWS 11-116, 11-128	Insufficient repeat samples, public notice required.		Paul Hendricks
Letter	Johnson	Paul Hendricks	10/20/1999	PWS 11-116, 11-128	Public Notice, sampling and analysis, some coliform problems.		Paul Hendricks
Letter	Johnson	Paul Hendricks	10/22/1999	PWS 11-116, 11-128	Operator change from Hendricks to Endicote.		Mark Endicote
Letter	Resident	Barbara Reeves	10/22/1999	Sun Valley	Nitrates tested 24ppm at tap in the home!		
Letter	Johnson	Storey & Pieroni	10/29/1999	PWS 11-116, 11-128	Public Notice in paper of failure to test, nitrate and coliform exceedances.	nitrate and total coliform exceedances	
Letter	ADEQ	William H. Shafer	11/04/1999	980051 #2, Unit 3A, lots 150-164 (lots 1-132 signed 5/10/99)	Approval of construction for Unit 3A, lots 150-164 (authorizes operation)		
Letter	ADEQ	William H. Shafer	11/08/1999	980009, Unit 4A, lots 1-253	Approval of construction for Unit 4A lots 1-253		
Letter	Johnson	Storey & Pieroni	11/09/1999	PWS 11-116, 11-128	Affidavit of radio notice on high nitrates		

**JOHNSON UTILITIES
PWS 11-116 11-128**

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
Letter	Johnson	Paul Hendricks	11/15/1999		Deficiencies on notices, affidavits, fecal coliform in drinking water supply, notice of new operator.	10/13/99 violation for fecal in the water supply, high nitrates.	Mark Endicotte
Letter	Johnson	Richard Campbell	11/15/1999		Resend of 10/29/99 letter above and public notice in paper. Still missing violation for fecal coliform.		
Letter	Johnson	Donald Bush	11/15/1999		Mr. Hendricks dismissed, Mr. Bush replacement.		Donald Bush
Letter	ADEQ	Patrick Finton	11/23/1999	PWS 11-128	Deficiencies Noted: Site visit, storage tank overflowed, no splash block, eroded ditch, wells not marked, gate open to wells, no well vents for 3 wells.		
Newspaper	Republic		11/24/1999		Tainted water at Johnson Ranch.		
Letter	Johnson	George Johnson	11/24/1999		High nitrate water sample from irrigation well, not drinking well		
Letter	ADEQ	Melanie Barton	11/29/1999	PWS 11-128	Major deficiencies, no sanitary survey, exceeded total coliforms MCL and nitrate MCL		
Letter	Johnson	George Johnson	12/02/1999	PWS 11-116, 11-128	Notice of Bush as operator.		Donald Bush
Letter	ADEQ	Patrick Finton	12/02/1999	PWS 11-128	Inspection with recommendations		
Letter	Johnson	Donald Bush	12/05/1999	PWS 11-128	Follow-up to Inspection, wells 3 & 5 disconnected (irrigation wells), requested nitrate sampling		
Letter	ADEQ	John Calkins	12/08/1999	PWS 11-128	NOV-25 violations of failure to sample, failure to notify residents, failure to notify ADEQ, failure to obtain approval of construction prior to operation for wells 3 and 5. Submit compliance documentation within 30 days of receipt. If not in compliance within 90 days a consent order is issued.	no mention of fecal, only total coliform	
Letter	Johnson	Mark Endicotte	12/10/1999	PWS 11-116, 11-128	Samples submitted to ADEQ, most rejected per Melanie Barton 1/4/2000		

**JOHNSON UTILITIES
PWS 11-116 11-128**

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
Letter	Johnson	Donald Bush	12/12/1999	PWS 11-128	Wells 3 & 5 are irrigation wells and not subject to NOV. Wells were connected to drinking water distribution line, but have been disconnected. Back flow not applicable.		Donald Bush
Memo	ADEQ	Nina Kondos	12/13/1999	PWS 11-116	Research on legally responsible parties for NOV.		
Newspaper	Republic	Edythe Jensen	12/23/1999		Water company cited with 25 violations.		
Letter	Centex	Ed Smith	12/29/1999		Request for info on RO system, approval to construct 500k storage tank, capacity and maintenance.		
Letter	ADEQ	Stephanie Koes	12/29/1999		Copy of approval to construct 500k gallon storage tank for 1,187 homes to Centex		
Letter	ADEQ	Patrick Finton	01/14/2000		2 of 25 Violations corrected by disconnect of wells 3 and 5. Backflow cross connection issue.		Donald Bush
Samples	Johnson	Donald Bush	01/18/2000		Compliance monitoring for coliform.		
Letter	Johnson	Donald Bush	01/19/2000		High nitrate samples from well 4. Requesting approval to blend two wells.	12.3, 13.2, 13.2, 12.7, 12.9, 11.5, 12.0 mg/L	
Letter	Johnson	Donald Bush	01/19/2000		Response to provide backflow prevention program.		
Letter	ADEQ	Stephanie Koes	02/01/2000	980115	Follow-up to site visit, deficiencies with RO system preventing approval to construct.		
Compliance Status	ADEQ	Melanie Barton	03/02/2000	PWS 11-116, 11-128	Unresolved NOV.		
Letter	ADEQ	Stephanie Koes	03/13/2000	PWS 11-128	Criteria for blending plan.		
Letter	ADEQ	William H. Shafer	03/13/2000	980115, PWS 11-128	Approval of construction for RO and in-line booster pump, completes approval for 980115.		
Letter	ADEQ	John Calkins	03/14/2000	PWS 11-116	Missing monthly microbial sampling.		
Letter	ADEQ	Melanie Barton	03/20/2000	PWS 11-128	No major deficiencies		

**JOHNSON UTILITIES
PWS 11-116 11-128**

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
Letter	Johnson	Cauy Washburn	03/21/2000		Follow-up nitrate samples.		
Letter	ADEQ	Bill DePaul	03/31/2000	PWS 11-128	Approved public notice of omitted sampling, and \$4,900 penalty.		
Compliance Status	ADEQ	Melanie Barton	04/20/2000	PWS 11-116	Major deficiencies: fecal coliforms exceeded acute mcl 10/99, exceeded total coliforms mcl 1/2000, missing repeat monitoring, radiochemicals, lead and copper, ongoing exceedance of nitrate.	exceeded mcl for fecal coliform 10/99, total coliform, nitrates, missing others.	
Newspaper Letter	Republic ADEQ	Johnson Stephanie Koes	04/20/2000 04/24/2000		Copy of public notice regarding high nitrates. Requirements for approved blending plan.		
Letter	Johnson	Gerald Beeler	04/24/2000		Nitrate sampling.		Gerald Beeler
Certificate	ADEQ	William H. Shafer	05/25/2000	PWS 11-116	Certificate of approval to construct RO system.		
Letter	ADEQ	Story and Pieroni	06/05/2000	PWS 11-116	Compliance status request form-no major deficiencies, Johnson hauling water from 11-128 to other service areas.		
Letter	Johnson	George	06/08/2000	PWS 11-116	Commitment to public notices from 1999!		
Telephone Contact	ADEQ	Stephanie Koes	06/14/2000	PWS 11-116	New well has high nitrates, recommended water be hauled from 11-128.		Jerry Beeler
Letter	Johnson	Gerald Beeler	06/14/2000	PWS 11-116	Collapsed well, need approval of new well. Nitrates high, 17.8 mg/l. Generating public notice.		Jerry Beeler
Compliance Status	ADEQ	Melanie Barton	06/14/2000	PWS 11-128	No major deficiencies.		
Letter	Johnson	Jerry Beeler	06/15/2000		Public notice.		
Letter	ADEQ	John Calkins	07/13/2000	PWS 11-116	Missing samples.		
Letter	ADEQ	William H. Schafer	07/19/2000	Well #5	Waiver for dioxin source.		

**JOHNSON UTILITIES
PWS 11-116 11-128**

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
Compliance Status	ADEQ	Melanie Barton	07/21/2000	PWS 11-116	No major deficiencies.		
Consent Order	ADEQ	Karen Smith	08/04/2000	PWS 11-116	\$6,000 Penalties.		
Consent Order	ADEQ	Karen Smith	08/04/2000	PWS 11-128	\$4,900 Penalties.		
News Release	ADEQ		08/18/2000	PWS-11-116,	Settled administrative enforcement actions for \$10,900.		
Letter	ADEQ	Don Shroyer	08/16/2000	PWS 11-116	Rejected lab reports.		
Letter	VLB	Brian Tompsett	08/30/2000	PWS 11-128,	Commencement of construction.		
Compliance Status	ADEQ	Melanie Barton	09/12/2000	PWS 11-128	Missing samples.		
Compliance Status	ADEQ	Melanie Barton	09/12/2000	PWS 11-116	Missing samples.		
Compliance Status	ADEQ	Sally Cecceralli-Wolf			Missing samples.		
Letter	ADEQ	William H. Schafer	09/19/2000	PWS 11-116	Approval of construction water main to golf club drive.		
Letter	ADEQ	William H. Schafer	10/24/2000	980270	Approval of construction for Unit 3B, lots 1-91		
Letter	ADEQ	John Calkins	10/27/2000	980443	Missing samples.		
Letter	ADEQ	William H. Schafer	11/15/2000	PWS 11-116	Approval of construction Unit 3a, lots 133-149		
Compliance Status	ADEQ	Sally Cecceralli-Wolf	01/04/2001	980051 #3	Unable to maintain 20 psi.		
Compliance Status	ADEQ	Sally Cecceralli-Wolf	02/20/2001	PWS 11-116	No major deficiencies.		
Compliance Status	ADEQ	Sally Cecceralli-Wolf	02/20/2001	PWS 11-128	No major deficiencies.		
Compliance Status	ADEQ	Sally Cecceralli-Wolf	03/06/2001	PWS 11-128	No major deficiencies.		

**JOHNSON UTILITIES
PWS 11-116 11-128**

Doc	Source	Author	Date	File No.	Drinking Water	Exceedances	Operator
Compliance Status	ADEQ	Sally Cecceralli-Wolf	03/06/2001	PWS-11-116	No major deficiencies.		
Letter	ADEQ	Raffi Karamian	03/08/2001	PWS 11-128	Blending plan review.		Brian Tompsett
Compliance Status	ADEQ	Sally Cecceralli-Wolf	03/13/2001	PWS 11-128	No major deficiencies.		
Letter	ADEQ	William H. Schafer	04/10/2001	20000227, 200	Approval of construction of RO system and new well.		
Letter	ADEQ	John Calkins	04/13/2001	PWS 11-116	Missing microbiol samples.		
Compliance Status	ADEQ	Sally Cecceralli-Wolf	04/24/2001	PWS 11-128	No major deficiencies.		
Letter	ADEQ	William H. Schafer	05/02/2001	200000218	Approval of construction for Unit 4B, lots 254-470, six inch main serving 4A.		
Compliance Status	ADEQ	Sally Cecceralli-Wolf	05/04/2001	PWS 11-128	No major deficiencies.		
Compliance Status	ADEQ	Sally Cecceralli-Wolf	05/15/2001	PWS 11-128	No major deficiencies.		
Letter	ADEQ	John Calkins	05/16/2001	PWS 11-116	Missing microbiol samples.		
Compliance Status	ADEQ	Sally Cecceralli-Wolf	05/15/2001	PWS 11-116	No major deficiencies.		
Letter	ADEQ	Aolad Hossain	06/22/2001	980270	Partial approval of construction.		
Compliance Status	ADEQ	Sally Cecceralli-Wolf	06/25/2001	PWS 11-128	No major deficiencies.		



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

May 16, 2001

Johnson Utilities Llc
5230 E Shea Blvd
Scottsdale, AZ 85254

RE: Water System Name: Johnson Utilities-Sun Val
Water System Number: 11116

Dear Water System Owner:

This letter is to notify you that two consecutive months of required routine Monthly Microbiological results have not been received by the Department. If you have taken the required number of samples, please forward copies of the analysis report to the Department. Each Microbiological report submitted to this Department must include the system information shown on the top portion of the Microbiological Analysis Report (DWAR 1 Rev: 5-8-98). Missing or incorrect information on the Analysis Report prevents ADEQ from properly crediting the samples to your water system in the database. Please check your records to determine whether any of your sample analyses have been returned for these reasons. If so, please make the necessary corrections and resubmit the corrected analysis report(s) to ADEQ. If you have questions or have overlooked this sampling requirement, please contact your compliance officer for information.

The Drinking Water Compliance and Enforcement Unit recommends that you collect your microbiological samples as early in the month as possible to allow you time to collect follow-up samples that may be needed. Your timely submittal of these samples will help to ensure your system's testing record is accurately reflected in the Departments database. Continued monitoring violations of this type could result in enforcement actions designed to return your system to compliance.

If you have any questions, or feel you have received this letter in error, please call your compliance officer at 602-207-4624 or call toll free 1-800-234-5677, ext. 4624 or Fax to 602-207-4505.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Calkins".

John A. Calkins, Manager
Drinking Water Compliance and Enforcement Unit
Water Quality Division



ENTD APR 17 2001

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

April 13, 2001

Johnson Utilities Llc
5230 E Shea Blvd
Scottsdale, AZ 85254

RE Water System Name: Johnson Utilities-Sun Val
Water System Number: 11116

Dear Water System Owner:

This letter is to notify you that the required monthly microbiological analyses for your water system has not been received by this Department. Arizona's Drinking Water Rules require that you submit 1 routine microbiological sample(s) each month. ADEQ has received 0 sample(s) for the month of March. If you took the indicated sample(s), please forward or fax (602-207-4505) copies of the laboratory analysis report(s) to this Department. Please note that, to ensure that the samples are properly credited to your water system, the system information shown on the top portion of the report form (DWAR 1 Rev:8-26-99) must be completed.

The Drinking Water Compliance and Enforcement Unit recommends that you collect your microbiological samples as early in the month as possible to allow you time to collect a new sample if any problems occur. Your timely submittal of these samples will help to ensure the safety of your water and help you maintain compliance with State and Federal Drinking Water Rules.

If you have any questions regarding sampling requirements or any other matters pertaining to your water system, please call the Drinking Water Compliance and Enforcement Unit at 602-207-4624 or call toll free 1-800-234-5677, ext. 4624.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Calkins".

John A. Calkins, Manager
Drinking Water Compliance and Enforcement Unit
Water Quality Division



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Company fined \$10,900 for tainted water at Johnson Ranch

By Edythe Jensen
 The Arizona Republic
 Aug. 19, 2000

The state has slapped \$10,900 in fines on a water company that serves Johnson Ranch south of Queen Creek for violating safe drinking water standards.

Johnson Utilities, which also serves the neighboring Sun Valley Farms Unit V, sent water to homes last year that exceeded state standards for nitrates and coliform bacteria, according to a settlement notice released Friday by the state Department of Environmental Quality.

Pregnant women, young children and the elderly are considered most at risk when water nitrate levels are high. The chemical is known to rob the blood of oxygen and cause "blue baby syndrome."

In the 3,200-acre Johnson Ranch, the utility also failed to take monitoring samples, failed to perform back-flow prevention testing, operated a new well without approval, didn't submit a required emergency operations plan and didn't notify customers of some of the violations.

In Sun Valley Farms, a 544-acre minifarm subdivision that sold its wells to Johnson Utilities last year, the water exceeded nitrate and coliform bacteria standards and Johnson Utilities failed to notify residents.

The DEQ cited Johnson Utilities in December for "major deficiencies" and violating 25 laws governing public water systems. At the time, utility owner George Johnson said he had installed a water denitrification system and had fired an employee who neglected to file documentation required by the state.

According to the DEQ fine notice, the utility has completed the required corrective actions, and Johnson Ranch and Sun Valley water systems are now in compliance with safe drinking water standards.

Johnson Ranch's water and sewer utilities were the subject of several state actions last year, including a temporary moratorium on home purchases by the Department of Real Estate.

A limited number of buyers were allowed to occupy homes last

- Getting started
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- Maricopa County restaurant inspections



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A limited number of buyers were allowed to occupy homes last


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- Miscellaneous
- Maricopa County restaurant inspections


A limited number of buyers were allowed to occupy homes last summer before a wastewater treatment plant was built after Johnson Utilities agreed to pump and haul sewage daily.

That pumping ended in November. In April, the state waived more than \$100,000 in penalties against the utility that could have been collected because the sewer system violated a consent order that required completion by Nov. 30, 1999.

Efforts to reach Johnson or a utility spokesperson were unsuccessful Friday.

**Edythe Jensen can be reached at
edythe.jensen@arizonarepublic.com via e-mail or at 602-497-7939.**

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ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

Date: 8-11-2000

Johnson Utilities LLC
5230 EAST SHEARBLVD
Scottsdale, AZ 85254

Subject: Rejected Drinking Water Analytical Data
PWS# 11-1116

Dear Water Supplier

The attached laboratory reports which were submitted to the Arizona Department of Environmental Quality (ADEQ), have incorrect or insufficient information to allow processing. Each enclosed analysis report has the problem/reason causing the rejection clearly marked.

The Arizona Administrative Code, Title 18 (R18-4-104.Q) requires that all analyses provided to ADEQ be "in a manner and on forms approved by the Department." ADEQ can not accept analyses from any water systems that do not comply with the requirements of this Article. Sampling violations will be assessed to the water systems concerned unless analyses are resubmitted in accordance with reporting requirements.

The attached sample analyses can not be accepted until correct original reports are provided. Handwritten changes must be dated and signed by the person making the correction. If necessary, the laboratory which performed the analyses should be contacted to make the necessary corrections.

Questions about the returned analyses can be directed to any available compliance officer at (602) 207-4681 or toll free at 1-800-234-5677 extension 4681.

Sincerely,

A handwritten signature in cursive script that reads "Donald J. Shroyer".

Donald J. Shroyer, Manager
Water Quality Data Unit
Water Quality Compliance Section

Number and Type of Attachments:

Specimen ID Number(s) System ID# _____

____ Microbiological Analysis report(s) _____

____ Inorganic Analysis report(s) _____

____ Synthetic Organic Chemical (SOC) report(s) _____

____ Volatile Organic Chemical (VOC) report(s) _____

____ Radiochemical Analysis report(s) _____

____ Turbidity/RDC Analysis report(s) _____

____ TTHM Analysis report(s) _____

1 Lead & Copper wrong FORMS - Need Sysid

Errors that can be corrected by the water system:

- ☒ Missing/Incomplete/Wrong Public Water System Name
- ☒ Missing/Incomplete/Wrong Public Water System ID #
- ____ Missing Sample Date
- ____ Missing/Wrong Source ID # or Point of Entry ID#
- ____ Missing/Wrong Sample Type
- ____ Missing/Incomplete/Wrong Violating Specimen Number
- ____ More than one sample type marked, mark only one type per form
- ____ Composite form does not list Point of Entry ID # / System ID #
- ____ Analyses are not on ADEQ approved forms
- ____ Analyses submitted to ADEQ does not meet monitoring requirements
- ____ Sample does not meet laboratory requirement for analysis-Please resample
- ____ The Public Water System ID # you have reported has not been properly assigned by your field inspector. Please contact your inspector @ _____
- ____ Other _____

Errors that must be corrected by the laboratory:

- ____ Missing/Wrong Test Start Date/Analysis Run Date
- ____ Wrong value for MCL/MDL
- ____ Missing Authorized Signature
- ____ Analysis date prior to sample date
- ____ Missing result
- ____ Other _____

BEFORE THE DIRECTOR OF THE
ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

In the matter of:

Sun Valley Farms Unit V
PWS ID # 11-116

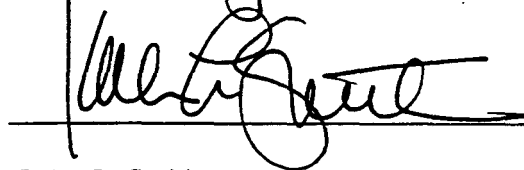
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**SATISFACTION AND
TERMINATION OF
COMPLIANCE ORDER**

DOCKET NO. DW-87-00

TO: Johnson Utilities L.L.C., an Arizona Limited Liability Company, as owner and operator of Sun Valley Farms Unit V, ("Water Supplier"), Public Water System (PWS) ID Number 11-116, a water system located in or near the City of Queen Creek, County of Pinal, Arizona.

The Arizona Department of Environmental Quality ("ADEQ") has reviewed the Compliance Order and the associated submittal made on August 4, 2000 to ADEQ in response to the Compliance Order, Docket No. DW-62-00, issued by the Director of the ADEQ on August 1, 2000. The Water Supplier has demonstrated to the satisfaction of ADEQ, that all terms of this Compliance Order have been completed.

DATED this 4th day of August 2000



Karen L. Smith
Water Quality Division Director
Arizona Department of Environmental Quality

Original of the foregoing Satisfaction and Termination of Compliance Order was filed this
7 day of August of 2000, to:

Lavonne Watkins, Legal Administrator
Office of Administrative Counsel
Arizona Department of Environmental Quality

COPIES of the foregoing Compliance Order sent by
Certified Mail, Return Receipt Requested, this
7 day of August 2000, to:

George H. Johnson, Managing Member
Johnson Utilities, L.L.C.
Johnson Ranch Water System
5230 East Shea Boulevard
Scottsdale, Arizona 85254

Delator Corporation, Statutory Agent
Johnson Utilities, L.L.C.
7201 E. Camelback Road, # 330
Scottsdale, AZ 85251

Copies of the foregoing Satisfaction and Termination of Compliance Order were sent by
regular/interdepartmental mail this 7 day of August 2000, to:

Jacqueline Schafer, Director
Arizona Department of Environmental Quality
3033 North Central Avenue
Phoenix, Arizona 85012

Bill DePaula, Enforcement Coordinator
Drinking Water Compliance and Enforcement Unit
3033 North Central Avenue
Phoenix, Arizona 85012

Patrick Finton, Field Inspector
Arizona Department of Environmental Quality
Water Quality Compliance Section
3033 N. Central Ave., M0501B
Phoenix, Arizona 85012-2809

Michael D. Clark, Chief Financial Officer
Arizona Department of Environmental Quality
3033 N. Central Ave., M0173A
Phoenix, AZ 85012-2890
Attention: Accounts Receivable

Arizona Corporation Commission, Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Reg Glos, Director of Environmental Health
Pinal County Health Department
P.O. Box 2517
Florence, AZ 85232

m:\wpdocs\s&t's\11-116.800

11-116
legal.

Withey, Tobin, Anderson & Morris

A PROFESSIONAL LIMITED LIABILITY COMPANY

RICHARD T. CAMPBELL
DIRECT: (602) 200-7389
EMAIL: richcampbell@wtlaw.com

ELLEN HARRIS HOFF
Of Counsel

3101 North Central Avenue
Suite 1690
Phoenix, Arizona 85012-2615
Telephone (602) 230-0600
Facsimile (602) 212-1787

August 3, 2000

VIA HAND DELIVERY

Mr. Michael D. Clark
Chief Financial Officer
Arizona Department of Environmental Quality
Attention: Accounts Payable
3033 North Central Avenue, M0173A
Phoenix, AZ 85012-2809

RE: PWS 11-116 Sun Valley Farms Unit V
Compliance Order Docket No. DW-87-00

Dear Mr. Clark:

On behalf of Johnson Utilities, please find enclosed a check in the amount of \$6,000 made payable to Arizona Department of Environmental Quality as required under the above-referenced administrative consent order.

Please call with any questions.

Sincerely,



Richard T. Campbell

Enclosure

cc: Bill DePaul, ADEQ
George Johnson
Dick Sallquist

NOTED FOR FILING
AUG 10 2000

AUG 10 2000

OFFICIAL CHECK

National Bank
OF ARIZONA

935 N. Wilcox Road • Tucson, AZ 85711-8801
JOHNSON UTILITIES

REMITTER

PAY
TO THE
ORDER OF

*****ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY*****

Six Thousand Dollars and Zero Cents

RE:

5

KAC

DRAWER: NATIONAL BANK OF ARIZONA

⑈8000000000⑈ ⑆122037171⑆ 8-997038 919204030⑈

AUTHORIZED SIGNATURE

⑆19204030⑆

AUGUST 04, 2000

*****6,000.00

ALL ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CHECKS MUST BE DEPOSITED WITHIN 90 DAYS OF DATE
18-2777/1230

THE HAWAIIAN ONE BACK GROUND AREA OF THIS DOCUMENT CHANGES COLOR GRADUALLY AND SHOOTILY FROM DARKER TONES AT BOTH TOP AND BOTTOM TO THE LIGHTER TONES IN THE MIDDLE

Facility
File copy

**BEFORE THE DIRECTOR OF THE
ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY**

In the matter of:

**Sun Valley Farms Unit V
PWS ID # 11-116**

COMPLIANCE ORDER

DOCKET NO. DW-87-00

TO: Johnson Utilities L.L.C., an Arizona Limited Liability Company, as owner and operator of Sun Valley Farms Unit V, ("Water Supplier"), Public Water System (PWS) ID Number 11-116, a water system located in or near the City of Queen Creek, County of Pinal, Arizona.

I.

YOU ARE HEREBY NOTIFIED that the Director ("Director") of the Arizona Department of Environmental Quality ("ADEQ") has reasonable cause to believe that the Water Supplier is violating the provisions of Arizona Revised Statute ("A.R.S.") Title 49, Chapter 2, Article 9 and the rules promulgated thereunder, Arizona Administrative Code ("A.A.C.") Title 18, Chapter 4, Articles 1 through 6.

II.

JURISDICTION

- A. The Director has jurisdiction over the subject matter of this action and is authorized to issue this order pursuant to A.R.S. § 49-354.B.
- B. The Director of ADEQ has personal jurisdiction over the Water Supplier.

III.

THE DIRECTOR HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. FINDINGS OF FACT

1. Johnson Utilities L.L.C., owner and operator of Sun Valley Farms Unit V water system, PWS ID # 11-116, located in or near the City of Queen Creek, County of Pinal, Arizona. Johnson Ranch Water System, is a Community Water System which serves less than 100 persons year round as of December 1999.
2. George H. Johnson, in his capacity as Managing Member of Johnson Utilities, L.L.C., is responsible for oversight of the day to day operations of the Sun Valley Farms Unit V water system.
3. No evidence exists in the public record at ADEQ which proves that an Approval To Construct (ATC) was issued to the Water Supplier for a drinking water source well which was connected to the distribution system on May 30, 2000.

4. No evidence exists in the public record at ADEQ that proves an Approval of Construction (AOC) has been issued by ADEQ prior to May 30, 2000 authorizing a new source well be operated and connected to the distribution system.

5. The analytical results of samples taken on June 9, 2000, indicated a concentration of Nitrate of 17.8 mg/l, an acute MCL exceedance. The well was taken out of service by the Water Supplier on June 14, 2000. Therefore, the Water Supplier served water which exceeded the MCL for Nitrate for five (5) days from June 9, 2000, through June 14, 2000 in violation of the standard.

6. No evidence exists in the public record at ADEQ which proves the required public notification was made by the Water Supplier as soon as possible but not later than 72 hours after an acute violation occurs, for the acute Nitrate MCL exceedance which occurred June 9, 2000, through June 14, 2000.

7. No evidence exists in the public record at ADEQ that proves that the best available technology (BAT) was installed to achieve compliance with the Nitrate MCL.

8. The analytical results of samples collected on October 1, 1999, indicated a total coliform positive. Repeat samples collected on October 13, 1999, indicated total coliform positive analytical results, a non-acute MCL. Therefore, the Water Supplier served water which exceeded the MCL for total coliform for 13 days from October 1, 1999, through October 13, 1999.

9. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ was made as it relates to the October 1999 total coliform positive MCL.

10. No documentation exists in the public record at ADEQ that proves the required Public Notice was made as it relates to the October 1999 total coliform positive MCL.

11. No documentation exists in the public record at ADEQ that proves that four (4) required repeat samples were collected within 24 hours of receiving notice of the total coliform positive test result which was reported on October 4, 1999.

12. No evidence exists in the public record at ADEQ which proves the required notification to ADEQ was made as it relates to the missed repeat microbiological monitoring event which occurred on October 4, 1999.

13. No evidence exists in the public record at ADEQ which proves the required public notification was made as it relates to the missed repeat microbiological monitoring event which occurred on October 4, 1999.

14. The analytical results of samples collected on October 13, 1999, indicated a fecal coliform positive, an acute MCL. Repeat samples collected on October 20, 1999, indicated total coliform negative analytical results. Therefore, the Water Supplier served water which exceeded the MCL for fecal coliform for seven (7) days from October 13, 1999, through October 20, 1999.

15. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ was made as it relates to the October 1999 fecal coliform MCL.

16. No documentation exists in the public record at ADEQ that proves the required Public Notice was made as it relates to the October 1999 fecal coliform MCL.

B. CONCLUSIONS OF LAW

1. Johnson Utilities, L.L.C., as owner and operator of Sun Valley Farms Unit V, is a "Public Water System" within the meaning of A.A.C. R18-4-101.83 and a "Community Water System" within the meaning of A.A.C. R18-4-101.11

2. George H. Johnson, Managing Member of Johnson Utilities, L.L.C., Johnson Utilities, L.L.C., and Sun Valley Farms Unit V, are each a "Water Supplier" within the meaning of A.A.C. R18-4-101.101.
3. Failure of the Water Supplier to receive an Approval To Construct (ATC) from the Department prior to modifying an existing facility in accordance with A.A.C. R-18-4-505.
4. Failure of the Water Supplier to receive Approval Of Construct (AOC) issued by the Department prior to operating a newly constructed facility in accordance with A.A.C. R-18-4-507.
5. Failure of the Water Supplier to comply with the Nitrate MCL in accordance with A.A.C. R18-4-208.
6. Failure of the Water Supplier to notify the public as soon as possible but not later than 72 hours after an acute violation occurs that water served exceeded the acute MCL for Nitrate in accordance with A.A.C. R18-4-105.B.
7. Failure of the Water Supplier to install and use best available technology (BAT) for achieving compliance with the maximum contaminant level(s) in accordance with A.A.C. R18-4-220.
8. Failure of the Water Supplier to comply with the MCL for total coliform in accordance with A.A.C. R18-4-202.
9. Failure of the Water Supplier to notify ADEQ within 24 hours of receipt of analytical results that water served to the public exceeded the MCL for total coliform in accordance with A.A.C. R18-4-104.B.1.

10. Failure of the Water Supplier to notify the public that water served exceeded the MCL for total coliform bacteria, in accordance with A.A.C. R18-4-105.A.

11. Failure of the Water Supplier to collect a set of repeat samples within 24 hours of receiving notice of the total coliform-positive test result in accordance with A.A.C. R18-4-202.H.

12. Failure of the Water Supplier to notify ADEQ of a missed total coliform repeat monitoring event within 10 days of discovery in accordance with A.A.C. R18-4-104.L.

13. Failure of the Water Supplier to notify the public of a missed total coliform monitoring event in accordance with A.A.C. R18-4-105.C.

14. Failure of the Water Supplier to comply with the MCL for fecal coliform bacteria in water served to the public, in accordance with A.A.C. R18-4-202.A.

15. Failure of the Water Supplier to notify ADEQ as soon as possible within 24 hours after receiving notice of the fecal coliform-positive test result, in accordance with A.A.C. R18-4-104.A.

16. Failure of the Water Supplier to notify the public that water served exceeded the fecal coliform bacteria MCL in accordance with A.A.C. R18-4-105.B.

17. The Water Supplier violated provisions of A.A.C. Title 18, Chapter 4, articles 1 through 6, as stated in Section III., paragraphs 1 through 16 above. The Water Supplier is subject to civil administrative penalties pursuant to A.R.S. 49-354.C.

IV.

IT IS THEREFORE ORDERED, pursuant to A.R.S. § 49-354.B., that the Water Supplier shall comply with the provisions of A.R.S. Title 49, Chapter 2, Article 9, and A.A.C. Title 18, Chapter 4, Articles 1 through 6, by taking the following actions immediately or as expressly set forth below.

COMPLIANCE SCHEDULE

A. WITHIN THIRTY (30) DAYS OF THE EFFECTIVE DATE OF THIS ORDER:

1. Water Supplier agrees to pay a civil administrative penalty of \$6000.00 for the violations cited in Section III, *Findings of Fact and Conclusions of Law*.

V.

MANNER OF PAYMENT

- A. All payments made under this administrative consent order shall be made by cashier check made payable to "Arizona Department of Environmental Quality" and shall be sent to:

Mr. Michael D. Clark, Chief Financial Officer
Arizona Department of Environmental Quality
Attention: Accounts Payable
3033 North Central Avenue, M0173A
Phoenix, AZ 85012-2809

together with a letter tendering the check. The letter shall identify this case by the PWS ID Number and Name, PWS ID number 11-116, Sun Valley Farms Unit V, and the Docket Number of this Consent Order.

Please provide a copy of the information to:

Bill DePaul, Enforcement Coordinator
Arizona Department of Environmental Quality
Drinking Water Compliance and Enforcement Unit
3033 North Central Avenue, M0501B
Phoenix, Arizona 85012-2809

VI.

YOU ARE NOTIFIED OF THE FOLLOWING:

A. You may request a hearing, provided such request is made within thirty (30) days of receipt of this Compliance Order. A request for hearing must be in writing, must specifically cite those portions of this Compliance Order which are contested, and must state that the hearing is requested pursuant to A.R.S. § 49-354.B. A request for hearing must be filed with:

Lavonne Watkins, Case Administrator
Office of Administrative Counsel
Arizona Department of Environmental Quality
3033 North Central Avenue, M0836A
Phoenix, Arizona 85012-2809

This Compliance Order becomes final and enforceable in Superior Court unless a hearing is requested within thirty (30) days from the date this order was received.

B. This Compliance Order does not encompass issues regarding violations, releases, contamination, sources, operations, facilities or processes not expressly covered by the

provisions of this Compliance Order and is without prejudice to the rights of the State of Arizona arising under any Federal or Arizona environmental statutes, rules or regulations with regard to such issues.

C. Nothing in this Compliance Order shall constitute a permit of any kind, or modification of any permit of any kind, or an agreement to issue a permit of any kind under Federal, State or local law, or relieve the Water Supplier in any manner of its obligations to apply for, obtain, and comply with all applicable permits. Nothing in this Compliance Order shall in any way alter, modify or revoke Federal, State or local law, or relieve the Water Supplier in any manner of its obligations to comply with such laws. Compliance with the provisions of this Compliance Order shall be no defense to any action to enforce any such permits or laws.

D. ADEQ shall have the right to disapprove work performed by the Water Supplier that fails to comply with this Compliance Order, to take enforcement action for any and all violations of this Compliance Order, and to take action for any and all violations of State and Federal environmental laws occurring after the entry of this Compliance Order.

E. All communications to ADEQ, including submittal, plans, and additional required items, other than a request for hearing, arising as a result of this Compliance Order, shall be directed to the following office:

Arizona Department of Environmental Quality
Water Quality Compliance Section
Drinking Water Compliance Enforcement Unit
3033 North Central Avenue, M0501B
Phoenix, Arizona 85012-2809
Attention: Bill DePaul, Enforcement Coordinator
Telephone: (602) 207-4652 or 1-800-234-5677, ext. 4652

F. Failure to comply with this Compliance Order may subject you to further administrative or judicial sanctions including civil penalties. By issuing this Compliance Order, neither the Arizona Department of Environmental Quality nor the Office of the Attorney General waives its right to seek appropriate penalties or injunctive relief in Superior Court for violations of A.R.S. Title 49, or any rule, permit or order promulgated or issued thereunder, or any other applicable environmental statute or legal authority.


G. ADEQ may at any time, upon presentation of credentials to authorized personnel on duty, enter the premises of the Sun Valley Farms Unit V water system for the purposes of observing and monitoring compliance with the provisions of this Compliance Order. This right of entry shall be in addition to, and not in limitation of, or substitution for ADEQ's rights under applicable law.

H. The provisions of this Compliance Order are severable. If any provision of this Compliance Order is declared by a court of law to be invalid or unenforceable, all other provisions of this Compliance Order shall remain in full force and effect.

I. This Compliance Order is based solely on current information available. If additional information is discovered which indicates that the actions taken under this Compliance Order are, or will be inadequate to protect public health, welfare or the environment, or to conform with applicable Federal or State laws, ADEQ shall have the right to require further action.

J. Upon satisfactory completion of the terms and conditions set forth in this Compliance Order, ADEQ will issue a "Satisfaction and Termination of Compliance Order," to the Water Supplier for the referenced docket number of this Compliance Order. At that time, with the signature of the Director of ADEQ, or his or her designee, this order will be closed.

ISSUED this 1st day of August 2000.



Karen L. Smith, Director
Water Quality Division
Arizona Department of Environmental Quality

ORIGINAL of the foregoing Compliance Order was filed
this 2 day of August, 2000, with:

Lavonne Watkins, Case Administrator
Office of Administrative Counsel
Arizona Department of Environmental Quality
3033 North Central Avenue, M0836A
Phoenix, Arizona 85012

COPIES of the foregoing Compliance Order were
sent by Certified Mail, Return Receipt requested,
this 2 day of August, 2000, to:

George Johnson, Managing Member
Jonson Utilities L.L.C.
Owner and Operator of Sun Valley Farms Unit V
5230 East Shea Boulevard
Scottsdale, Arizona 85254

Delator Corporation, Statutory Agent
Johnson Utilities, L.L.C.
7201 E. Camelback Road, # 330
Scottsdale, AZ 85251

COPIES of the foregoing Compliance Order were
sent by regular/interoffice/interdepartmental mail
this 2 day of August, 2000, to:

Reading File
Arizona Department of Environmental Quality
Drinking Water Compliance Enforcement Unit
3033 N. Central Ave., M0501B
Phoenix, Arizona 85012-2809

Bill DePaul, Enforcement Coordinator
Water Quality Compliance Section
Drinking Water Compliance Enforcement Unit
3033 N. Central, M0501B
Phoenix, AZ 85012-2809

Pat Finton, Field Inspector
Arizona Department of Environmental Quality
Water Quality Compliance Section
Drinking Water Compliance Enforcement Unit
3033 N. Central, M0501B
Phoenix, AZ 85012-2809

Michael D. Clark, Chief Financial Officer
Arizona Department of Environmental Quality
3033 N. Central Ave., M0173A
Phoenix, AZ 85012-2890
Attention: Accounts Receivable

Arizona Corporation Commission, Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Reg Glos, Director of Environmental Health
Pinal County Health Department
P.O. Box 2517
Florence, AZ 85232

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BEFORE THE DIRECTOR OF THE
ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

In the matter of:

Johnson Ranch Water System
PWS ID # 11-128

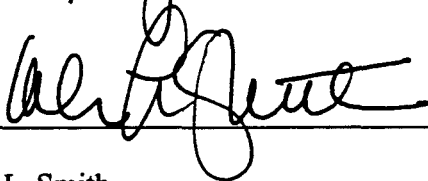
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**SATISFACTION AND
TERMINATION OF
CONSENT ORDER**

DOCKET NO. DW-62-00

TO: Johnson Utilities L.L.C., an Arizona Limited Liability Company, as owner and operator of Johnson Ranch Water System, ("Water Supplier"), Public Water System (PWS) ID Number 11-128, a water system located in or near the City of Queen Creek, County of Pinal, Arizona.

The Arizona Department of Environmental Quality ("ADEQ") has reviewed the Consent Order and the associated submittal made on June 27, 2000 to ADEQ in response to the Consent Order, Docket No. DW-62-00, issued by the Director of the ADEQ on June 2, 2000. The Water Supplier has demonstrated to the satisfaction of ADEQ, that all terms of this Consent Order have been completed.

DATED this 4th day of August 2000



Karen L. Smith
Water Quality Division Director
Arizona Department of Environmental Quality

Michael D. Clark, Chief Financial Officer
Arizona Department of Environmental Quality
3033 N. Central Ave., M0173A
Phoenix, AZ 85012-2890
Attention: Accounts Receivable

Arizona Corporation Commission, Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Reg Glos, Director of Environmental Health
Pinal County Health Department
P.O. Box 2517
Florence, AZ 85232

m:\wpdocs\s&t's\11-128.800

Original of the foregoing Satisfaction and Termination of Consent Order was filed this 7 day of August of 2000, to:

Lavonne Watkins, Legal Administrator
Office of Administrative Counsel
Arizona Department of Environmental Quality

COPIES of the foregoing Consent Order sent by
Certified Mail, Return Receipt Requested, this
7 day of August 2000, to:

George H. Johnson, Managing Member
Johnson Utilities, L.L.C.
Johnson Ranch Water System
5230 East Shea Boulevard
Scottsdale, Arizona 85254

Delator Corporation, Statutory Agent
Johnson Utilities, L.L.C.
7201 E. Camelback Road, # 330
Scottsdale, AZ 85251

Copies of the foregoing Satisfaction and Termination of Consent Order were sent by
regular/interdepartmental mail this 7 day of August 2000, to:

Jacqueline Schafer, Director
Arizona Department of Environmental Quality
3033 North Central Avenue
Phoenix, Arizona 85012

Bill DePaul, Enforcement Coordinator
Drinking Water Compliance and Enforcement Unit
3033 North Central Avenue
Phoenix, Arizona 85012

Patrick Finton, Field Inspector
Arizona Department of Environmental Quality
Water Quality Compliance Section
3033 N. Central Ave., M0501B
Phoenix, Arizona 85012-2809

File copy

LAW OFFICES OF
STOREY & PIERONI
PLC

3030 E. Camelback Road
Suite 265
Phoenix, Arizona 85016
Telephone: (602) 468-0111
Facsimile: (602) 468-1335

Richard T. Campbell
Direct Line: 522-0203
e-mail: rcampbell@splegal.com

June 27, 2000

VIA HAND-DELIVERY

Mr. Michael D. Clark
Chief Financial Officer
Arizona Department of Environmental Quality
3033 North Central Avenue, M0173A
Phoenix, AZ 85012

Re: Johnson Ranch Water System (PWS #128)
Consent Order – Docket No. DW-62-00

Dear Mr. Clark:

Enclosed is a cashier check in the amount of forty nine hundred dollars (\$4900.00) as required under the terms of the above-indicated Consent Order.

Please call me with any questions.

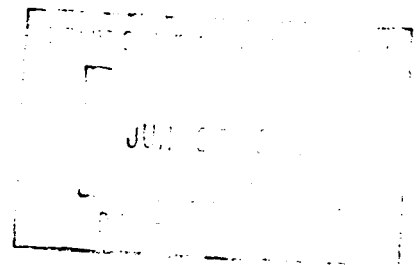
Sincerely,

Richard Campbell

Richard Campbell

Enclosure

cc: Bill DePaul
George Johnson
Dick Sallquist
Rob Anderson



1004

Check number: 1004

Check Date: May 30, 2000

Vendor: AZ Dept of Environmental Qlty

Check Amount: \$4,900.00

Item to be Paid - Description

Discount Taken Amount Paid

Water System Consent Order

4,900.00

NATIONAL BANK OF ARIZONA
115 South McCormick Street
Prescott, AZ 86303

1004

1004

91-532/1221
15**JOHNSON UTILITIES**5230 E. SHEA BLVD.
SCOTTSDALE, AZ 85254
PH. (480) 998-3300

Memo: 500664

PAY

May 30, 2000 *****\$4,900.00*

Four Thousand Nine Hundred and 0/100 Dollars

DATE

AMOUNT

AZ Dept of Environmental Qlty
TO THE P.O. Box 618
ORDER OF Phoenix, AZ 85001-0618

⑈001004⑈ ⑆122105320⑆ 0050005715⑈

JUN 27 2000

File
copy

**BEFORE THE DIRECTOR OF THE
ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY**

In the matter of:

**Johnson Utilities L.L.C.
PWS ID # 11-128**

CONSENT ORDER

DOCKET NO. DW-62-00

TO: Johnson Utilities L.L.C., an Arizona Limited Liability Company, as owner and operator of Johnson Ranch Water System, ("Water Supplier"), Public Water System (PWS) ID Number 11-128, a water system located in or near the City of Queen Creek, County of Pinal, Arizona.

The Water Supplier acknowledges that no promise of any kind or nature was made to induce it to enter into this Consent Order and it has done so voluntarily.

The undersigned representative, George H. Johnson, as Managing Member of Johnson Utilities, L.L.C., certifies that he is fully authorized to execute this Consent Order on behalf of the Water Supplier and to legally bind the Water Supplier to this Consent Order.

The Water Supplier admits the jurisdiction of the Director ("Director") of the Arizona Department of Environmental Quality ("ADEQ").

The Water Supplier consents to the terms and entry of this Consent Order and agrees not to contest the validity or terms of this Consent Order in any subsequent proceeding.

THEREFORE, IT IS HEREBY ORDERED as follows:

I.

A. JURISDICTION

1. The Director of ADEQ has jurisdiction over the subject matter of this action and is authorized to issue this Consent Order pursuant to A.R.S. § 49-354.B.
2. The Director of ADEQ has personal jurisdiction over the Water Supplier.

II.

A. FINDINGS OF FACT

1. Johnson Utilities L.L.C., owner and operator of Johnson Ranch Water System, PWS ID # 11-128, located in or near the City of Queen Creek, County of Pinal, Arizona. Johnson Ranch Water System, is a Community Water System which serves less than 100 persons year round as of December 1999.
2. George H. Johnson, in his capacity as Managing Member of Johnson Utilities, L.L.C., is responsible for oversight of the day to day operations of the Johnson Ranch Water System.
3. The analytical results for a sample collected on 8/31/99, indicated 10.9 mg/L of Nitrate was detected at POE # 001.
4. No documentation exists in the public record at ADEQ which proves the required Nitrate confirmation sample was collected within 24 hours of notification of the analytical results of the initial sample (sample collected 8/31/99) that exceeded the Nitrate MCL.

5. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ was made as it relates to the 08/31/99, failure to collect a Nitrate confirmation sample within 24 hours of notification of the analytical results of the initial sample (sample collected 8/31/99). that exceeded the Nitrate MCL.
6. No documentation exists in the public record at ADEQ that proves the required Public Notice was made as it relates to the 08/31/99, failure to collect a Nitrate confirmation sample within 24 hours of notification of the analytical results of the initial sample (sample collected 8/31/99). that exceeded the Nitrate MCL.
7. No analytical results for the required confirmation sample (related to 8/31/99 Nitrate MCL) have been submitted to ADEQ that proves the confirmation sample was taken within two (2) weeks of receiving the analytical results of the initial sample
8. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ that a Nitrate confirmation sample was taken within two (2) weeks of receiving the analytical results of the initial sample (related to the 8/31/99 Nitrate MCL) was made.
9. No documentation exists in the public record at ADEQ that indicates the public notice for missed Nitrate confirmation monitoring (related to 8/31/99 MCL) was made within the allotted two (2) weeks.

10. No documentation exists in the public record at ADEQ that proves the appropriate notification related to 8/31/99 Nitrate MCL was made.
11. No documentation exists in the public record at ADEQ that proves the appropriate public notice (related to 8/31/99 MCL) was made within the required time frame for the Nitrate MCL exceedance.
12. No documentation exists in the public record at ADEQ that proves the required one (1) sample for total coliform analysis was performed during the month of July, 1999.
13. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ (related to July, 1999, missed monitoring event) was made.
14. No documentation exists in the public record at ADEQ that proves the required public notice (related to July, 1999, missed monitoring event) was made within the allotted three (3) months.
15. No documentation exists in the public record at ADEQ that proves the required total coliform repeat samples were taken after a total coliform positive was detected during August, 1999.

16. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ (related to August, 1999, missed monitoring event) was made.
17. No documentation exists in the public record at ADEQ that proves the required public notice (related to August, 1999, missed monitoring event) was made within the allotted three (3) months.
18. No documentation exists in the public record at ADEQ that proves the five (5) required total coliform routine samples were taken during September, 1999, after a total coliform positive was detected during August, 1999.
19. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ related to September, 1999, missed Microbiological monitoring event (5 total Coliform routine samples were required) was made.
20. No documentation exists in the public record at ADEQ that proves (4) four repeat samples were taken within 24 hours of receiving notice of a total coliform positive during October, 1999.
21. The analytical results for one (1) sample collected on 10/01/99 and two (2) samples collected on 10/04/99 were positive for total coliform. The analytical results for two samples collected on 10/13/99 were negative for total coliform.

22. No documentation exists in the public record at ADEQ that proves the appropriate notification (related to October, 1999, MCL) was made.
23. No documentation exists in the public record at ADEQ that proves the appropriate public notice (related to October, 1999, MCL) was made within the required time frame for the total coliform exceedance.
24. No documentation exists in the public record at ADEQ that proves the required back flow protection testing has been performed.
25. No documentation exists in the public record at ADEQ that proves the required emergency operation plan has been developed.
26. No documentation exists in the public record at ADEQ that proves that an AOC was issued prior to the connection of Well #3.
27. No documentation exists in the public record at ADEQ that proves that an AOC was issued prior to the connection of Well #5.
28. The Water Supplier has been unable, to date, to demonstrate to ADEQ that the above listed deficiencies were in fact adequately and timely performed.

B. CONCLUSIONS OF LAW

1. Johnson Utilities, L.L.C., as owner and operator of Johnson Ranch Water System, is a "Public Water System" within the meaning of A.A.C. R18-4-101.83 and a "Community Water System" within the meaning of A.A.C. R18-4-101.11

2. George H. Johnson, Managing Member of Johnson Utilities, L.L.C., Johnson Utilities, L.L.C., and Johnson Ranch Water System, are each a "Water Supplier" within the meaning of A.A.C. R18-4-101.101.

3. The Public Water System failed to provide water which does not exceed the maximum contaminant limit (MCL) for Nitrate (10 mg/l) in accordance with A.A.C. R18-4-208.

4. The Public Water System failed to take a nitrate confirmation sample at the same sampling point within 24 hours of receiving the analytical results of the initial sample, in accordance with A.A.C. R18-4-208.I.

5. The Public Water System failed to notify ADEQ within 48 hours of discovery of failure to comply with nitrate monitoring requirements in accordance with A.A.C. R18-4-104.L.

6. The Public Water System failed to provide Public Notice, in accordance with A.A.C. R18-4-105.C, when a confirmation sample is not taken within 24 hours after receiving the analytical results of the initial nitrate sample, in accordance with A.A.C. R18-4-208.I.

7. The Public Water System failed to take a nitrate confirmation sample at the same sampling point within two (2) weeks of receiving the analytical results of the initial sample, in accordance with A.A.C. R18-4-208.I.
8. The Public Water System failed to notify ADEQ within 48 hours of discovery of failure to comply with nitrate monitoring requirements in accordance with A.A.C. R18-4-104.L.
9. The Public Water System failed to provide Public Notice, in accordance with A.A.C. R18-4-105.C, when a confirmation sample is not taken within two (2) weeks after receiving the analytical results of the initial nitrate sample, in accordance with A.A.C. R18-4-208.I.
10. The Public Water System failed to notify the ADEQ of a Nitrate MCL exceedance within 24 hours of receipt of the analytical results, in accordance with A.A.C. R18-4-104.A.2.
11. The Public Water System failed to provide Public Notice as soon as possible but no later than 72 hours after an acute violation occurs, in accordance with A.A.C. R18-4-105.B.
12. The Public Water System failed to perform total coliform analyses in accordance with A.A.C. R18-4-202.F.

13. The Public Water System failed to notify ADEQ within ten (10) days of discovery of failure to comply with total coliform monitoring requirements in accordance with A.A.C. R18-4-104.L.
14. The Public Water System failed to provide Public Notice for missed total coliform monitoring in accordance with A.A.C. R18-4-105.C.
15. The Public Water System failed to perform total coliform repeat analyses following the discovery of a total coliform positive within 24 hours in accordance with A.A.C. R18-4-202.H.
16. The Public Water System failed to notify ADEQ within ten (10) days of discovery of failure to comply with total coliform monitoring requirements in accordance with A.A.C. R18-4-104.L.
17. The Public Water System failed to provide Public Notice for missed total coliform monitoring in accordance with A.A.C. R18-4-105.C.
18. The Public Water System failed to collect at least five (5) routine coliform samples during the next month following a total coliform positive in accordance with R-18-4-202.I.
19. The Public Water System failed to notify ADEQ within ten (10) days of discovery of failure to comply with total coliform monitoring requirements in accordance with A.A.C. R18-4-104.L.

20. The Public Water System failed to perform total coliform repeat analyses following the discovery of a total coliform positive within 24 hours in accordance with A.A.C. R18-4-202.H.
21. The Public Water System failed to provide water which does not exceed the maximum contaminant limit (MCL) for Total Coliform (no more than one sample may be total coliform-positive) in accordance with A.A.C. R18-4-202.A.2.
22. The Public Water System failed to notify the ADEQ of a total coliform MCL exceedance within 24 hours of receipt of the analytical results, in accordance with A.A.C. R18-4-104.B.1.
23. The Public Water System failed to provide Public Notice not later than 14 days after a total coliform MCL violation occurs, in accordance with A.A.C. R18-4-105.A.1.
24. The Public Water System failed to maintain records of back flow-prevention assembly installations and tests performed on back flow- prevention assemblies in its service area in accordance with R18-4-115.G.
25. The Public Water System failed to develop an emergency operations plan in accordance with A.A.C. R18-4-116.
26. The Public Water System failed to obtain an Approval of Construction (AOC) prior to operation of a newly constructed facility in accordance with A.A.C. R18-4-507.A.

27. The Public Water System failed to obtain an Approval of Construction prior to operation of a newly constructed facility in accordance with A.A.C. R18-4-507.A.

28. The Water Supplier violated provisions of A.A.C. Title 18, Chapter 4, articles 1 - 5 as stated above in paragraphs 3-27 above. The Water Supplier is subject to civil administrative penalties pursuant to A.R.S. 49-354.C.3.

A. COMPLIANCE SCHEDULE

WITHIN 30 CALENDER DAYS OF THE EFFECTIVE DATE OF THIS ORDER,
the Water Supplier agrees to pay a civil administrative penalty of forty nine hundred dollars, (\$4900.00) for the violations cited in this order in Paragraph II, A & B.

IV.

MANNER OF PAYMENT

A. All payments made under this administrative consent order shall be made by cashier check made payable to "Arizona Department of Environmental Quality" and shall be sent to:

Mr. Michael D. Clark, Chief Financial Officer
Arizona Department Of Environmental Quality
Attention: Accounts Receivable
3033 North Central Avenue, M0173A
Phoenix, AZ 85012

together with a letter tendering the check. The letter shall identify this case by the Water System Name, PWS ID number (11-128), and the Docket Number of this Consent Order.

Please provide a copy of this information to:

Bill DePaul, Enforcement Coordinator
Arizona Department Of Environmental Quality
Drinking Water Compliance & Enforcement Unit
3033 North Central Avenue
Phoenix, AZ 85012

V.

IT IS FURTHERED ORDERED

A. This Consent Order does not encompass issues regarding violations, releases, contamination, sources, operations, facilities or processes not expressly covered by the terms of this Consent Order and is without prejudice to the rights of the State of Arizona arising under any Federal or Arizona environmental statutes, rules or regulations with regard to such issues.

B. Nothing in this Consent Order shall constitute a permit of any kind, or modification of any permit of any kind, or an agreement to issue a permit of any kind under federal, state or local law, or relieve the Water Supplier in any manner of its obligation to apply for, obtain, and comply with all applicable permits. Nothing in this Consent Order shall in any way alter, modify or revoke Federal, State or local law, or relieve the Water Supplier in any manner of its obligations to comply with such laws. Compliance with the terms of this Consent Order shall be no defense to any action to enforce any such permits or laws.

C. The Water Supplier shall perform all requirements of this Consent Order according to the time limits set forth, unless performance is prevented or delayed by events which constitute a "force majeure." "Force majeure," for the purposes of this Consent Order, is defined as any event, arising from causes beyond the control of the Water Supplier, which delays or prevents performance of any obligation under this Consent Order. The financial inability of the Water Supplier to comply with the terms of this Consent Order shall not constitute a force majeure.

D. In the event of a force majeure, the time for performance of the activity affected by the force majeure shall be extended for a period no longer than the delay caused by the force majeure. The time for performance of any activity dependent on the delayed activity shall be similarly extended. In the event of a force majeure, the Water Supplier shall notify ADEQ in writing within ten (10) calendar days after its occurrence. The written notice provided to ADEQ shall describe in detail the event, the anticipated delay, the measures taken and to be taken by the Water Supplier to prevent or minimize the delay, and the timetable under which those measures will be implemented. The Water Supplier shall take all reasonable measures to prevent or minimize any delay caused by the force majeure. Failure of the Water Supplier to comply with any requirement of this paragraph for a particular event shall constitute a waiver of its rights to request an extension of time to fulfill any obligation under this Consent Order relating to that event.

E. ADEQ shall have the right: to disapprove work performed by the Water Supplier that fails to comply with this Consent Order; to take enforcement action for any and all violations of this Consent Order; and to take action for any and all violations of State or Federal environmental laws occurring after the entry of this Consent Order.

F. All documents, materials, plans and other items submitted to ADEQ in accordance with this Consent Order shall be transmitted to the following address:

Arizona Department of Environmental Quality
Water Quality Compliance Section
Drinking Water Compliance Enforcement Unit
3033 North Central Avenue, M0501B
Phoenix, Arizona 85012-2809
Attention: Bill DePaul, Drinking Water Enforcement Coordinator
Telephone: (602) 207-4652 or 1-800-234-5677, ext. 4652

All documents, materials, plans and other items submitted to ADEQ in accordance with this Consent Order shall be deemed submitted when postmarked, return receipt requested, or accepted for delivery by commercial delivery service, or hand delivered.

G. Failure to comply with this Consent Order may subject the Water Supplier to further judicial action and civil penalties.

H. ADEQ may at any time, upon presentation of credentials to authorized personnel on duty, enter the premises of the Johnson Utilities L.L.C., Johnson Ranch Water System, for the purpose of observing and monitoring compliance with the provisions of this Consent Order. This right of entry shall be in addition to, and not in limitation of or substitution for, ADEQ's rights under applicable law.

I. The provisions of this Consent Order are severable. If any provision of this Consent Order is declared by a court of law to be invalid or unenforceable, all other provisions of this Consent Order shall remain in full force and effect.

J. This Consent Order is based solely upon current information available. If additional information is discovered which indicates that the actions taken under this Consent

Order are or will be inadequate to protect the public health, welfare, or the environment, or to conform with applicable federal or state laws, ADEQ shall have the right to require further action.

K. Any modifications of this Consent Order shall be in writing and approved by the parties and the Director, however, alterations in times of performance of actions provided herein that do not constitute a force majeure may be orally requested by the Water Supplier and consented to in writing by ADEQ.

L. This Consent Order shall apply to, and be binding upon Johnson Utilities, L.L.C., Johnson Ranch Water System and its successors and assigns. No later than **thirty (30) days** prior to the sale or transfer of ownership of Johnson Utilities L.L.C., Johnson Ranch Water System assets or development interests, Johnson Utilities, L.L.C., shall give written notice of this Consent Order to each purchaser or successor in interest. Johnson Utilities, L.L.C., as owner and operator of Johnson Ranch Water System, shall condition such sale or transfer upon agreement that the purchaser or successor in interest is to assume all of the obligations under this Consent Order. At least **thirty (30) days** prior to the sale or transfer of ownership of the assets or development interest, Johnson Utilities, L.L.C., as owner and operator of Johnson Ranch Water System, shall submit to ADEQ, an Affidavit signed by a legal representative of Johnson Utilities, L.L.C., and the legal representative(s) of the purchaser(s) or successors in interest of such sale or transfer of the ownership of the Johnson Utilities, L.L.C., Johnson Ranch Water System, acknowledging receipt of a copy of this Consent Order and the purchaser's agreement to comply with all remaining terms and conditions of this Consent Order. Affidavit shall also include the name(s), address(es), and telephone number(s) of all purchasers or successors in interest. The sale or transfer of ownership or operations of Johnson Ranch Water System does not relieve the

undersigned representative of the Johnson Utilities, L.L.C., of its obligations under this order unless the purchaser or successor in interest agrees to assume the obligations under this order.

M. The effective date of this Consent Order shall be the date this Consent Order is signed by ADEQ and the authorized representative, George H. Johnson, Managing Member of Johnson Utilities, L.L.C., as owner and operator of Johnson Ranch Water System. If such signatures occur on different dates the latter shall be the effective date of this Consent Order.

N. Upon satisfactory completion of the terms and conditions set forth in this Consent Order, ADEQ will issue a "Satisfaction and Termination of Consent Order," for the referenced docket number of this Consent Order. At that time, with the signature of the Director of ADEQ, or his or her designee, this order will be closed.

ISSUED this 2nd day of June, 2000.

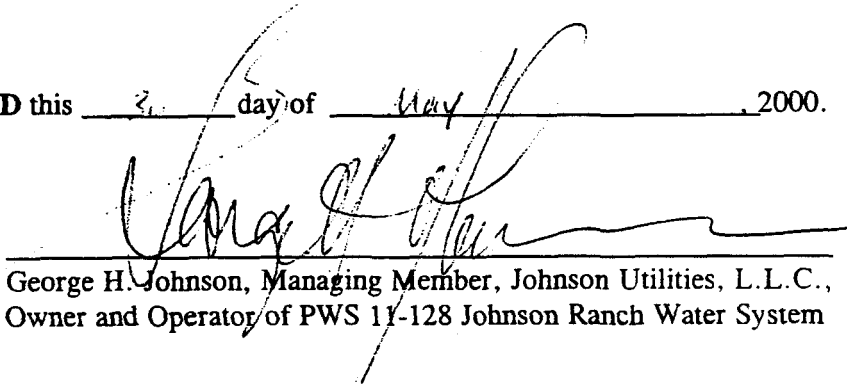


Karen L. Smith, Director
Water Quality Division
Arizona Department of Environmental Quality

CONSENT TO ORDER

The undersigned, on behalf of the Water Supplier, hereby acknowledges that the Water Supplier was represented by counsel, has read the foregoing Consent Order in its entirety, agrees with the statements made therein, consents to its entry and issuance by the Director, and agrees that Johnson Utilities/Johnson Ranch will abide by the same and waive any right to appeal.

DATED this 21 day of May, 2000.


George H. Johnson, Managing Member, Johnson Utilities, L.L.C.,
Owner and Operator of PWS 11-128 Johnson Ranch Water System

ORIGINAL of the foregoing Consent Order filed this
5 day of June, 2000, to:

Lavonne Watkins, Case Administrator
Office of Administrative Counsel
Arizona Department of Environmental Quality
3033 North Central Avenue, M0836A
Phoenix, Arizona 85012

COPIES of the foregoing Consent Order sent by
Certified Mail, Return Receipt Requested, this
5 day of June, 2000, to:

George H. Johnson, Managing Member
Johnson Utilities, L.L.C.
Johnson Ranch Water System
5230 East Shea Boulevard
Scottsdale, Arizona 85254

Delator Corporation, Statutory Agent
Johnson Utilities, L.L.C.
7201 E. Camelback Road, # 330
Scottsdale, AZ 85251

COPIES of the foregoing Consent Order were sent by
regular/interoffice/interdepartmental mail this
5 day of June, 2000, to:

Reading File
Arizona Department of Environmental Quality
Water Quality Compliance Section
3033 N. Central Ave., M0501B
Phoenix, Arizona 85012-2809

Bill DePaul, Drinking Water Enforcement Coordinator
Arizona Department of Environmental Quality
Water Quality Compliance Section
3033 N. Central, M0501B
Phoenix, AZ 85012-2809

Patrick Finton, Field Inspector
Arizona Department of Environmental Quality
Water Quality Compliance Section
3033 N. Central Ave., M0501B
Phoenix, Arizona 85012-2809

Michael D. Clark, Chief Financial Officer
Arizona Department of Environmental Quality
3033 N. Central Ave., M0173A
Phoenix, AZ 85012-2890
Attention: Accounts Receivable

Arizona Corporation Commission, Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007

Reg Glos, Director of Environmental Health
Pinal County Health Department
P.O. Box 2517
Florence, AZ 85232

File
copy



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

DW-00-0018
March 31, 2000

Mr. George Johnson, President
Johnson Utilities, LLC
5230 East Shea Boulevard
Scottsdale, AZ 85254

RE: Johnson Utilities L.L.C. / Johnson Ranch Water System PWS #11-128

Dear Mr. Johnson:

The enclosed documents represent the approved public notice documents Johnson Utilities is required to make available to all persons served by the Johnson Ranch water system. As we discussed at our January 31, 2000 meeting, in order to settle the matter quickly the approved public notices must be made available to the public **ASAP** and the required affidavit provided to ADEQ immediately there after.

The Public Notice documents must be published in a newspaper of general circulation in the area directly served by the Johnson Ranch water system. Please have these approved public notice documents published in the appropriate *Tribune Newspaper* for one (1) day. Additionally, Johnson Utilities must sent a copy to each resident served by the Johnson Ranch water system, with the monthly water bill one (1) time.

Upon completion of the above requirements, please provide documentation to:

Bill DePaul, Enforcement Coordinator
ADEQ Drinking Water Compliance & Enforcement Unit
3033 North Central Avenue M0501B
Phoenix, AZ 85012-2809

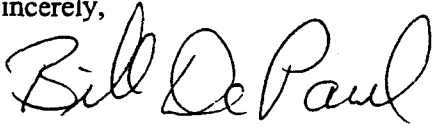
The documentation must contain, a representative and legible copy of each public notice that is published, posted, or made available to persons served by the Johnson Ranch water system or to the media and a legible affidavit that describes how the public notice was provided.

Mr. George Johnson, President
DW-00-0018
March 31, 2000
Page 2

Also, enclosed is the final Consent Order. The only requirement the order reflects is that Johnson Utilities / Johnson Ranch water system, pay the \$4900.00 "civil administrative penalty" as agreed at our January 31, 2000 meeting. Once you have completed the public notice requirements and have the documentation required to be submitted to ADEQ, please contact me to schedule a meeting to execute the consent order. ADEQ would prefer to complete this task before April 6, 2000. At that time, along with your submission of the \$4900.00 check, ADEQ will also execute a Satisfaction and Termination of Consent Order and send both simultaneously to the Director for signature. Additionally, we are in possession of the Approval of Construction issued to Johnson Utilities on March 13, 2000. A copy has been placed in the facility file and reflects that Johnson Utilities has complied with that requirement.

If you have any questions associated with the instruction in this correspondence, and / or to schedule the meeting to finalize this settlement, please contact me at (602) 207-4652. Thank you for your cooperation in this matter. I look forward to hearing from you soon.

Sincerely,



Bill DePaul, Enforcement Coordinator
ADEQ Drinking Water Program

WAD:ddb

Enclosures

cc . Reading File
Facility File

Mr. John Kaite, Attorney at Law
Hoffman & Kaite
5110 N. Central Ave., Suite 301
Phoenix, AZ 85012
without enclosures

PUBLIC NOTICE

FAILURE TO MONITOR

This notice is to inform customers of Johnson Utilities / Johnson Ranch Public Water System ID# 11-128 that the water supplier failed to comply with Total Coliform monitoring requirements during July 1997, August 1999, September 1999 and Nitrate monitoring requirements during Third Quarter 1999, Forth Quarter 1999. Public water systems are required by the U.S. Environmental Protection Agency and the Arizona Department of Environmental Quality to monitor the drinking water for Total Coliform and Nitrate. The water system will enter a consent order with ADEQ, and agree to comply with applicable rules and regulations to assure these problems do not reoccur. Please contact Johnson Utilities Co. at (480) 998-3300 for more information.

PUBLIC NOTICE

TOTAL COLIFORM BACTERIA

This notice is to inform customers of Johnson Utilities / Johnson Ranch water system,

PWS # 11-128, that the water system violated the maximum contaminant level for

TOTAL COLIFORM for 13 days during October, 1999. (10/1/99 thru 10/13/99).

The water system has disinfected the distribution system to correct the problem.

Total coliform: "The United States Environmental Protection Agency (EPA) sets drinking water standards and has determined that the presence of total coliform is a possible health concern. Total coliform are common in the environment and are generally not harmful themselves. The presence of these bacteria in drinking water, however, generally is a result of a problem with water treatment or the pipes which distribute the water, and indicates that the water may be contaminated with organisms that can cause disease. Disease symptoms may include diarrhea, cramps, nausea, and possibly jaundice, and associated headache and fatigue. These symptoms, however, are not just associated with disease-causing organisms in drinking water, but also may be caused by a number of factors other than your drinking water. EPA has set an enforceable standard for total coliform to reduce the risk of these adverse health effects. Under this standard, no more than 5.0 percent of the samples collected during a month can contain these bacteria, except that systems collecting fewer than 40 samples/month that have one total coliform-positive sample per month are not violating the standard. Drinking water which meets this standard is usually not associated with a health risk from disease-causing bacteria and should be considered safe."

As a result of the disinfection of the distribution system, samples collected after 10/13/99 indicated that total coliform was no longer present in the distribution system.

Please contact Johnson Utilities at (480) 998-3300 for more information.

PUBLIC NOTICE

NITRATE

This notice is to inform customers of Johnson Utilities / Johnson Ranch water system,

PWS # 11-128, that the water system violated the maximum contaminant level for

NITRATE from August 31, 1999 to March 8, 2000.

The water system has installed a Reverse Osmosis Water Treatment System to correct the Nitrate water quality problem. On March 13, 2000 the ADEQ issued a "Approval of Construction" related to the recent installation of a Reverse Osmosis Water Treatment System.

Nitrate: The United States Environmental Protection Agency (EPA) sets drinking water standards and has determined that nitrate poses an acute health concern at certain levels of exposure. Nitrate is used in fertilizer and is found in sewage and wastes from human and/or farm animals and generally gets into drinking water from those activities. Excessive levels of nitrate in drinking water have caused serious illness and sometimes death in infants under six months of age. The serious illness in infants is caused because nitrate is converted to nitrite in the body. Nitrite interferes with the oxygen carrying capacity of the child's blood. This is an acute disease in that symptoms can develop rapidly in infants. In most cases, health deteriorates over a period of days. Symptoms include shortness of breath and blueness of the skin. Clearly, expert medical advice should be sought immediately if these symptoms occur. The purpose of this notice is to encourage parents and other responsible parties to provide infants with an alternate source of drinking water. Local and State health authorities are the best source for information concerning alternate sources of drinking water for infants. EPA has set the drinking water standard at 10 parts per million (ppm) for nitrate to protect against the risk of these adverse effects. EPA has also set a drinking water standard for nitrite at 1 ppm. To allow for the fact that the toxicity of nitrate and nitrite are additive, EPA has also established a standard for the sum of nitrate and nitrite at 10 ppm. Drinking water that meets the EPA standard is associated with little to none of this risk and is considered safe with respect to nitrate.

Analytical results of samples collected on August 31, 1999 by Johnson Utilities indicated Nitrate at 10.9mg/L. Samples collected by ADEQ on December 2, 1999 indicated Nitrate at 17.0mg/L. Samples collected on March 8, 2000 by Johnson Utilities after treatment and blending indicated Nitrate at 6.52mg/L.

Please contact Johnson Utilities Co. at (480) 998-3300 for more information.



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

DW-99-055

December 8, 1999

CERTIFIED LETTER

Return Receipt Requested

P 442 735 013

Mr. George Johnson, President
Johnson Utilities, LLC
5230 East Shea Boulevard
Scottsdale, Arizona 85254

**RE: Johnson Utilities – Johnson Ranch
Public Water System (PWS) #11-128**

NOTICE OF VIOLATION

The Arizona Department of Environmental Quality (ADEQ), Water Quality Division, Compliance and Enforcement Unit has determined that Johnson Utilities, LLC, 5230 East Shea Boulevard Scottsdale, Arizona 85254, is in violation of the Arizona Revised Statutes (A.R.S.), Title 49-101 et seq and applicable rules.

I. NATURE OF VIOLATION(S) AND REQUIRED CORRECTIVE ACTION(S)

A. VIOLATIONS

1. Failure of the Public Water System to provide water which does not exceed the maximum contaminant limit (MCL) for Nitrate (10 mg/l) in accordance with A.A.C. R18-4-208. The analytical results for a sample collected on 08/31/99, indicated 10.9 mg/l of Nitrate was detected at POE # 001.
2. Failure of the Public Water System to take a nitrate confirmation sample at the same sampling point within 24 hours of receiving the analytical results of the initial sample, in accordance with A.A.C. R18-4-208.I. No analytical results for the required confirmation sample (related to 8/31/99 MCL) have been submitted to ADEQ that proves the confirmation sample was taken within 24 hours.
3. Failure of the Public Water System to notify ADEQ within 48 hours of discovery of failure to comply with nitrate monitoring requirements in accordance with A.A.C. R18-4-104.L. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ (related to August, 1999, missed monitoring event) was made.

Mr. George Johnson, President
Johnson Utilities, LLC
December 8, 1999
Page 2

4. Failure of the Public Water System to provide Public Notice, in accordance with A.A.C. R18-4-105.C, when a confirmation sample is not taken within 24 hours after receiving the analytical results of the initial nitrate sample, in accordance with A.A.C. R18-4-208.I. No documentation exists in the public record at ADEQ that indicates the public notice for missed Nitrate confirmation monitoring (related to 8/31/99 MCL) was performed within 24 hours.
5. Failure of the Public Water System to take a nitrate confirmation sample at the same sampling point within two (2) weeks of receiving the analytical results of the initial sample, in accordance with A.A.C. R18-4-208.I. No analytical results for the required confirmation sample (related to 8/31/99 MCL) have been submitted to ADEQ that proves the confirmation sample was taken within two (2) weeks.
6. Failure of the Public Water System to notify ADEQ within 48 hours of discovery of failure to comply with nitrate monitoring requirements in accordance with A.A.C. R18-4-104.L. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ (related to August, 1999 missed monitoring event) was made.
7. Failure of the Public Water System to provide Public Notice, in accordance with A.A.C. R18-4-105.C, when a confirmation sample is not taken within two (2) weeks after receiving the analytical results of the initial nitrate sample, in accordance with A.A.C. R18-4-208.I. No documentation exists in the public record at ADEQ that indicates the public notice for missed Nitrate confirmation monitoring (related to 8/31/99 MCL) was made within the allotted two (2) weeks.
8. Failure of the Public Water System to notify the ADEQ of a Nitrate MCL exceedance within 24 hours of receipt of the analytical results, in accordance with A.A.C. R18-4-104.A.2. No documentation exists in the public record at ADEQ that proves the appropriate notification (related to 8/31/99 MCL) was made.
9. Failure of the Public Water System to provide Public Notice as soon as possible but no later than 72 hours after an acute violation occurs, in accordance with A.A.C. R18-4-105.B. No documentation exists in the public record at ADEQ that proves the appropriate public notice (related to 8/31/99 MCL) was made within the required time frame for the Nitrate MCL exceedance.
10. Failure of the Public Water System to perform total coliform analyses in accordance with A.A.C. R18-4-202.F. No documentation exists in the public record at ADEQ that proves the required one (1) sample for total coliform analysis was performed during the month of July, 1999.
11. Failure of the Public Water System to notify ADEQ within ten (10) days of discovery of failure to comply with total coliform monitoring requirements in accordance with A.A.C. R18-4-104.L. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ (related to July, 1999, missed monitoring event) was made.

Mr. George Johnson, President
Johnson Utilities, LLC
December 8, 1999
Page 3

12. Failure of the Public Water System to provide Public Notice for missed total coliform monitoring in accordance with A.A.C. R18-4-105.C. No documentation exists in the public record at ADEQ that proves the required public notice (related to July, 1999, missed monitoring event) was made within the allotted three (3) months.
13. Failure of the Public Water System to perform total coliform repeat analyses following the discovery of a total coliform positive within 24 hours in accordance with A.A.C. R18-4-202.H. No documentation exists in the public record at ADEQ that proves the required total coliform repeat samples were taken after a total coliform positive was detected during August, 1999.
14. Failure of the Public Water System to notify ADEQ within ten (10) days of discovery of failure to comply with total coliform monitoring requirements in accordance with A.A.C. R18-4-104.L. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ (related to August, 1999, missed monitoring event) was made.
15. Failure of the Public Water System to provide Public Notice for missed total coliform monitoring in accordance with A.A.C. R18-4-105.C. No documentation exists in the public record at ADEQ that proves the required public notice (related to August, 1999, missed monitoring event) was made within the allotted three (3) months.
16. Failure of the Public Water System to collect at least five (5) routine coliform samples during the next month following a total coliform positive in accordance with R-18-4-202.I. No documentation exists in the public record at ADEQ that proves the five (5) required total coliform routine samples were taken during September, 1999, after a total coliform positive was detected during August, 1999.
17. Failure of the Public Water System to notify ADEQ within ten (10) days of discovery of failure to comply with total coliform monitoring requirements in accordance with A.A.C. R18-4-104.L. No documentation exists in the public record at ADEQ that proves the required notification to ADEQ (related to September, 1999, missed monitoring event) was made.
18. Failure of the Public Water System to perform total coliform repeat analyses following the discovery of a total coliform positive within 24 hours in accordance with A.A.C. R18-4-202.H. No documentation exists in the public record at ADEQ that proves (4) four repeat samples were taken within 24 hours of receiving notice of a total coliform positive during October, 1999.

19. Failure of the Public Water System to provide water which does not exceed the maximum contaminant limit (MCL) for Total Coliforms (no more than one sample may be total coliform-positive) in accordance with A.A.C. R18-4-202.A.2. The analytical results for one (1) sample collected on 10/01/99 and two (2) samples collected on 10/04/99 were positive for total coliforms. The analytical results for two samples collected on 10/13/99 were negative for total coliform.
20. Failure of the Public Water System to notify the ADEQ of a total coliform MCL exceedance within 24 hours of receipt of the analytical results, in accordance with A.A.C. R18-4-104.B.1. No documentation exists in the public record at ADEQ that proves the appropriate notification (related to October, 1999, MCL) was made.
21. Failure of the Public Water System to provide Public Notice not later than 14 days after a total coliform MCL violation occurs, in accordance with A.A.C. R18-4-105.A.1. No documentation exists in the public record at ADEQ that proves the appropriate public notice (related to October, 1999, MCL) was made within the required time frame for the total coliform exceedance.
22. Failure of the Public Water System to maintain records of backflow-prevention assembly installations and tests performed on backflow- prevention assemblies in its service area in accordance with R18-4-115.G. No documentation exists in the public record at ADEQ that proves the required backflow protection testing has been performed.
23. Failure of the Public Water System to develop an emergency operations plan in accordance with A.A.C. R18-4-116. No documentation exists in the public record at ADEQ that proves the required emergency operation plan has been developed.
24. Failure of the Public Water System to obtain an Approval of Construction (AOC) prior to operation of a newly constructed facility in accordance with A.A.C. R18-4-507.A. No documentation exists in the public record at ADEQ that proves that an AOC was issued prior to the connection of Well #3.
25. Failure of the Public Water System to obtain an Approval of Construction prior to operation of a newly constructed facility in accordance with A.A.C. R18-4-507.A. No documentation exists in the public record at ADEQ that proves that an AOC was issued prior to the connection of Well #5.

II. COMPLIANCE DOCUMENTATION

- A. Johnson Utilities, LLC shall submit compliance documentation within 30 days from receipt of this Notice of Violation.
- B. Compliance documentation shall include: invoices, photographs, logs, **laboratory analyses**, engineering plans, permits or any other documents necessary to establish compliance.

Mr. George Johnson, President
Johnson Utilities, LLC
December 8, 1999
Page 5

- C. Johnson Utilities, LLC shall supply all required documentation in Section I of this Notice of Violation. If you cannot obtain compliance or provide complete documentation in 30 days then include your intended schedule for compliance and submittal of documentation.
- D. The above documentation shall be deemed "submitted" when received by ADEQ at the following address:

Arizona Department of Environmental Quality
Water Quality Compliance Section
Attention: Bill DePaul
3033 North Central Avenue / MO-501B
Phoenix, Arizona 85012

III. CONSENT ORDER

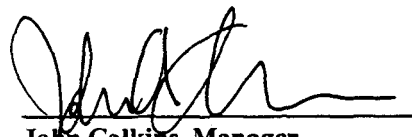
- A. If compliance cannot be achieved within **120 days from receipt of this Notice of Violation**, Johnson Utilities, LLC may enter into a Consent Order that will incorporate a compliance schedule. The Consent Order must be executed by Johnson Utilities, LLC within **90 days** from receipt of this notice.

VI. STATEMENT OF CONSEQUENCES

- A. Failure to achieve compliance or enter into a Consent Order within the prescribed time frames, will result in ADEQ initiating a unilateral enforcement action. Achieving compliance does not preclude ADEQ from seeking civil and/or administrative penalties.
- B. A unilateral enforcement action may result in a civil and/or administrative penalties. Penalties may be imposed for each violation for the entire non-compliance period.

V. OFFER TO MEET

- A. To schedule a meeting to discuss the specified violation(s) contact Bill DePaul at **602-207-4652** or **1-800-234-5677 ext. 4652**. Upon your request, or if your submittal is incomplete, a meeting will be scheduled after ADEQ has evaluated your submittal. Prior to the meeting, please submit an agenda including your specific objectives and the names and affiliations of the participants.


John Calkins, Manager
Drinking Water Compliance and Enforcement Unit

JAC:WAD:ddb

Mr. George Johnson, President
Johnson Utilities, LLC
December 8, 1999
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Enclosure - *Inspection Report DW99-056 (12/3/99).msb*

cc: Facility File Copy
Steve Olea, ACC Utilities Division, 1200 West Washington, Phoenix, AZ 85007
Reg Glos, Pinal County Environmental Health Section
Bill Day, Arizona Department of Real Estate
Tim Gibson, Arizona Department of Water Resources



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

DW99-056

December 7, 1999

George Johnson
Johnson International, Inc.
5320 E. Shea Blvd
Scottsdale, Arizona 85254

Re: Inspection of the Johnson Ranch on December 3, 1999, Water System No. 11-128

Dear Mr. Johnson:

Enclosed is an inspection report prepared by the Arizona Department of Environmental Quality's (ADEQ's) Drinking Water Compliance & Enforcement Unit (DWCEU) concerning the inspection conducted at the above-referenced water system on December 2, 1999. The inspection was conducted in accordance with Arizona Revised Statutes (A.R.S.) §49-351 et seq and with Arizona Administrative Code (A.A.C.) R18-4-118.

Enclosed is an Information Summary that includes a system description, inspection observations and inspector recommendations. Please review the information summary. This report addresses only the operation and maintenance status and the certified operator status of the referenced water system, and includes major deficiencies that must be corrected by the water system. This report does not address the system's compliance with respect to public notice, monitoring, and reporting requirements.

For compliance status information on these requirements, please contact Melanie Barton at (800) 234-5677 ext. 4443. If you need any additional information or help, please feel free to contact me at (800) 234-5677 ext. 7667.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Finton", followed by the word "FOR" in capital letters.

Patrick Finton
Environmental Engineering Specialist
Drinking Water Compliance & Enforcement Unit

cc: Don Bush, Rio Verde Utilities, 19119 E. Alonda Way, Rio Verde, AZ 85263
Melanie Barton, ADEQ
Bill DePaul, ADEQ
Stephanie Koes, ADEQ
Pinal County Health Department
DWCEU Facility File, No. 11-128

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER QUALITY DIVISION - WATER QUALITY COMPLIANCE SECTION
3033 N. Central, Phoenix, AZ 85012

INFORMATION SUMMARY - WATER

Facility: Johnson Ranch

System No.: 11-128

Inspected By: Patrick Finton, Environ Engr Spec Inspection Date: December 2, 1999

Accompanied By: Don Bush, Operator County: Pinal
Cory Washburn, Johnson Ranch
Melanie Barton, ADEQ
Stephanie Koes, ADEQ

Recommendations By: Patrick Finton

Report Date: December 6, 1999

Number of Plants / Wells: 1 / 1

System Grade: Grade 1

Population / Service Connections: 170 / 85

The water system is in compliance with the following ADEQ requirements:

	YES	NO	N/A
1. Certified OperatorDon Bush, Grade 4.	<input checked="" type="checkbox"/> [X]	<input type="checkbox"/> []	<input type="checkbox"/> []
2. Physical Facilities	<input type="checkbox"/> []	<input checked="" type="checkbox"/> [X]	<input type="checkbox"/> []

This report does not address the system's compliance with respect to the public notice, monitoring, and reporting requirements.

Summary

As a result of the sanitary survey, your water system was found to be in noncompliance with operation and/or maintenance according to the requirements of the Arizona Department of Environmental Quality rules and regulations. These violations will be included in the Notice of Violation (NOV) that is being issued for public notice, monitoring and reporting violations. The NOV violations were: 1) no backflow prevention plan, 2) no emergency operating plan, 3) connection and operation of well #3 to the potable water system and 4) connection and operation of well #5 to the potable water system. Additional areas of concern were noted during the inspection and these areas also need to be corrected.

Mr. George Johnson, President
Johnson Utilities, LLC
December 7, 1999
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Facility Description

The Johnson Ranch water treatment plant is located on Hunt Highway a half mile south of the Bella Vista Road intersection. The system is permitted to operate one submersible pumped well, #4, which is located on Bella Vista Road, a 500,000 gallon storage tank, a 5,000 gallon pressure tank, and distribution systems in subdivision units 2, 3A and 4A. Approval to Construct (ATC) permits have been issued for subdivision units 1, 3B and 6. ATCs have been issued which included the construction of well #3, well #5 and a reverse osmosis unit, but the respective Approval of Construction (AOC) permits did not include these items in the final permit. The facility does not chlorinate.

Summary of Field Observations

The Johnson Ranch system is a brand new water system. Because this system was experiencing coliform and nitrate monitoring exceedance problems and a sanitary survey had not been performed on the system, the field inspector was requested to conduct a sanitary survey to determine the system status.

The field inspection found 4 NOV violations, several Notice of Opportunity to Correct (NOC) violations and several deficiency recommendations. The NOV violations were: no backflow plan, no emergency plan and the connection and operation of wells 3 and 5. These violations will be included in the monitoring and reporting NOV that is being issued. An 8 to 12 inch direct open hole was found on the top of the storage tank. The storage tank hole and the non-approved, connected wells may account for the coliform and nitrate monitoring problems that the facility has been experiencing.

Wells #3 and #5 have been connected to the potable water system without obtaining the required AOC. These wells have historically revealed high nitrates and the connection of these wells presents a health risk to the drinking water system customers. Electrical kilowatt hour meters at these wells show that well #3 has operated 6745 kwh, while well #5 has operated 9911 kwh. With the permitted well #4 operating approximately 10,700 kwh, wells #3 and #5 have operated nearly as frequently as the permitted well, operating 63% and 93%, respectively.

The water system needs to have a backflow prevention plan and an emergency operating plan. The operator was not aware of the existence of either of these plans and ADEQ does not have a record of either of these plans. The inspection found several examples of why a backflow plan is needed for the facility. There is a large double check valve assembly located next to well #4. The operator is not aware of any connection to the potable water system in this area, or exactly why this backflow prevention valve would be located at this position. Subdivision Unit 6 will be an equestrian property and will probably have livestock watering troughs. A backflow plan is needed to identify how the troughs are to be connected to the potable water system. With the changes in system personnel, an emergency operating plan is definitely needed to know exactly what is in the system and how to respond to system specific emergencies.

The top of the storage tank has an 8 to 12 inch constructed pipe connection that was directly open to the atmosphere. A stainless steel pipe was next to the opening and appeared to have been rotated away from the tank connection, allowing the direct vertical opening to the elements. The stainless steel pipe appears to be the discharge line for the RO system that was not installed. It is very possible that this hole is responsible for the positive coliform samples that the system has reported.

The AOC for the operation of well #4, File No. 980006, was issued with the following permit condition:

Nitrate monitoring shall be conducted from the well monthly for at least one year.

If none of the results exceed 10 mg/l, then sampling may be reduced to quarterly.

Johnson Ranch has not been conducting monthly nitrate sampling.

The storage tank overflow line does not have a splash block below the discharge end of the pipe. The tank has overflowed and eroded the ground next to the tank. This erosion has not reached the tank bedding ring at the time of the inspection, but with only 7 months of system operation and the erosion that has already occurred, it will not be long before the structural integrity of the tank is impacted. In looking at the storage tank overflow system, it was observed that the flapper valve on the end of the overflow pipe was operating properly.

The system water pressure at the plant was 46 psi, which meets the minimum system pressure requirement of 20 psi, and ADEQ has not received any pressure complaints from Johnson Ranch customers. However there is some pressure concern for the system. All of the current customers are at a higher elevation than the plant, which means that their water pressure is going to be less than the plant's 46 psi. Current occupied houses are single story structures, but some new structures are two story. The system customer base is going to at least double in the very near future. And last, the pressure pumps are continually running. Although the current system is in compliance with pressure requirements, without the proper upgrades and/or improvements, it is only a matter of time before the subdivision construction will cause the pressure to drop to 20 psi and place the system into noncompliance.

The plant and wells need to be signed. The signs need to state "No Trespassing", facility name, well DWR number (if appropriate), well location, and emergency contact phone number.

Need to remove the treads on ALL the sample taps in the plant and at the wells.

In addition to the large pipe hole in the storage tank roof and splash block, there were four other problems with the storage tank. The storage tank hatch needs to be locked. The very small slit, 1/2 by 1/16 inch, in the storage tank vent screen needs to be sealed. The tank bedding ring was damaged and needs to be repaired when the inlet flow meter was installed. The target tube pipe hole opening needs to be reduced. This can be accomplished with a wire screen, stopper or other method. In reducing the

Mr. George Johnson, President
Johnson Utilities, LLC
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target hole opening, care needs to be exercised to make sure that the target cable is not pinched off in reducing the hole size.

Two problems were observed with the pressure tank. A splash block is needed under the tank drain valve. The pressure tank sight glass needs to be operational. The bottom of the sight glass was leaking, so the inlet valve was shut off. The water level in the pressure tank was good.

None of the wells were constructed with well vents. Well vents need to be installed to keep the wells from sucking in contaminants when they are operated.

After the wells are properly vented so that a vacuum is not created inside the well casing, the top of the well casings need to be properly sealed. There are small cracks around the electrical cable opening to the wells.

Well #4 appears to have a small gopher problem that should be corrected.

Well #5 has a check valve that is leaking and it still has the wooden form around the well pad. The check valve needs to be repaired and the form needs to be removed so that water does not puddle around the well casing.

The slab around well #3 is too small and low to protect the well casing. ABC material in the enclosure is at or over the top of the existing slab; however, the well appears to be on top of a slight mound in the enclosure. It may be that the subgrade can be recontoured and then the slab expanded to solve this problem, if this well is to be used as a water source.

Johnson Ranch has been issued 3 ATCs for subdivision construction that have not been issued AOCs. The ATCs require that construction start within one year of issuance or within a time extension granted by the Department. The operator stated that construction had started on Unit 6, but he was not sure about Units 1 and 3B. These sites were not inspected as part of the inspection. If construction has not started on these units, Johnson Ranch needs to request a time extension.

Johnson Ranch has submitted a microbiological site sampling plan, however this plan includes wells 3 and 5. The plan needs to be amended to remove these wells from the sampling plan.

As part of the inspection, water samples were taken at the pressure tank, well #4 and well #5, and will be analyzed for nitrate by the Department of Health Services. Well #3 could not be started at the time of the inspection, so no sample was taken from this well. As requested by the operator, sample results will be forwarded to the facility when they become available to the Department.

Inspector Recommendations

NOV items will need to be satisfied as part of the NOV and are not recommendations. Wells #3 and #5 must be disconnected from the potable water system, and backflow prevention and emergency plans must be developed.

1. The flanged opening in the storage tank roof must be closed.
2. Well #4 needs to be sampled monthly for nitrate.
3. A storage tank overflow splash pad needs to be built.
4. Need to ensure that system pressure remains adequate.
5. Need to properly sign the plant and wells.
6. Remove the treads on all of the sample taps.
7. Lock the storage tank hatch.
8. Patch the small slit in the storage tank vent.
9. Repair the storage tank bedding ring damage at the inflow meter.
10. Reduce the target pipe opening.
11. Place a splash block under the pressure tank.
12. Fix the leak in the pressure tank sight glass so that it can be operated.
13. Install well vents.
14. Seal the top of the well casings after the well vents have been installed.
15. Solve the gopher problem at well #4.
16. Repair the check valve on well #5.
17. Remove the slab form at well #5.
18. Improve the slab around well #3.



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Governor Jane Dee Hull

Jacqueline E. Schafer, Director

November 24, 1999

**Certified Mail
Return Receipt Requested**

Mr. George Johnson
Johnson Utilities, Inc.
5230 East Shea Boulevard
Scottsdale, Arizona 85254

RE: **Johnson Utilities, LLC
Sun Valley Farms Unit V, PWS #11-116
Johnson Ranch, PWS #11-128**

Dear Mr. Johnson;

Thank you for taking the time to talk with me on November 15, 1999. This letter is to follow up on the conversation we had last week. There are several issues which apply to both systems; however, I outlined the issues below for each public water system.

Sun Valley Farms Unit V, PWS #11-116

Certified Operator

One of the principal issues ADEQ currently has regarding the Johnson Utilities, LLC water systems is who has been retained as the operator. In the past, various operators have identified themselves or other operators as being responsible for the system. It is very important that you have a certified operator for each of the water systems. It is equally important that you and ADEQ each has good lines of communication with the operator.

Please submit in writing the name and certification number of each operator you currently contract. For each operator, identify the company name, mailing address, primary and secondary phone numbers and fax number. Identify which of your current operators is responsible for the operations and maintenance of the water system. If a second person is responsible for the monitoring and reporting, please provide all the above information for this person.

Nitrate Monitoring

"A CWS or NTNCWS that collects a sample from a groundwater sampling point with a concentration of nitrate that is ≥ 5 mg/L shall increase the monitoring frequency at that sampling

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point from annually to quarterly." (AAC R18-4-208(F)) A routine inorganic chemical sample taken on June 24, 1999, had a result of 13.4 mg/L nitrate. Therefore, the system is required to monitor quarterly for nitrate. ADEQ has not received nitrate sampling results for the third quarter of 1999.

If nitrate sampling was performed for this system in the third quarter, 1999, please provide the analytical results. Nitrate sampling will be required quarterly until the nitrate exceedance has been resolved and ADEQ approves reduced monitoring. If nitrate sampling has not yet occurred in the fourth quarter of 1999, please direct an operator to immediately take a sample to be analyzed by a licensed laboratory.

Nitrate Public Notice

AAC R18-4-10(C) states, "A water supplier of a public water system that fails to conduct required monitoring ... shall give public notice ... in a daily newspaper of general circulation within 3 months of the monitoring violation." Johnson Utilities purchased PWS 11-116 in January, 1999. As stated above, ADEQ has not received nitrate sample results for third quarter, 1999. The public notice provided on October 21, 1999, indicated that it served for the time period "prior to the acquisition of the water system by Johnson Utilities." Since Johnson Utilities was the owner of PWS #11-116 during the entire third quarter, 1999, this public notice does not address the failure to monitor for nitrate in the third quarter, 1999.

If nitrate sampling was performed for this system in the third quarter, 1999, please provide the analytical results. If the nitrate results are not available, public notice for failure to monitor is required by December 31, 1999. If you would like to submit this or any other public notice for review, I would be willing to review it for technical accuracy. Affidavits and copies of all public notices must be submitted to ADEQ.

AAC R18-4-205 states that the MCL for nitrate is 10 mg/L. A sample identifying an exceedance of the MCL was taken on June 24, 1999. Public notice was not provided until October 21, 1999, in violation of AAC R18-4-105(B) which states, "A water supplier shall provide a copy of the public notice to radio and television stations that broadcast to the area served by the system as soon as possible but not later than 72 hours after an acute violation occurs. An acute violation is ... [a] violation of the MCL for nitrate or nitrite specified in R18-4-205."

Please be aware of the requirement to provide public notice within 72 hours after the violation occurs. If you anticipate that the sample for the fourth quarter, 1999, may exceed the MCL, please prepare your public notice in advance so that you will have timely distribution. Any enforcement actions taken by ADEQ may take into account your timeliness of public notice.

Mr. George Johnson
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Coliform Monitoring

AAC R18-4-202(H) states, "If a routine sample is total coliform-positive, a public water system shall collect a set of repeat samples within 24 hours of receiving notice of the total coliform-positive result. ... A public water system which collects one routine sample per month ... shall collect at least four repeat samples for each total coliform-positive routine found." The routine bacteriological sample taken on October 1, 1999, had a positive result for total coliform. Total coliform-positive repeat samples were taken on the following days: October 4, 8, 13, 16, 1999. AAC R18-4-202(I) states, "A public water system that collects fewer than five routine samples per month and which has one or more total coliform-positive routine samples shall collect at least five routine samples during the next month."

PWS#11-116 is required to take five routine samples during the month of November, 1999. If any of these samples are total coliform-positive, the system will be required to take three repeat samples for each positive result and five routine samples during the month of December, 1999. I would be willing to discuss the sampling requirements with the operator who you have charged with monitoring and reporting. Please be aware that the operator will need to contact me within 24 hours of a total coliform-positive result in order to sample within the required time frame.

Coliform Public Notice

AAC R18-4-202(A)(2) states, "When fewer than 40 routine and repeat samples are collected per month, no more than one sample may be total coliform-positive. Violation of this subsection (A)(2) is a nonacute violation." However, AAC R18-4-202(A)(3) states, "Any fecal coliform-positive repeat sample or *Escherichia coli* (*E. coli*)-positive repeat sample is an acute violation." The repeat bacteriological sample taken on October 13, 1999, was fecal coliform-positive; this is an acute violation. As referenced above, public notice for acute violations must be provided by television or radio within 72 hours of the violation. ADEQ has not received an affidavit and public notice for the fecal coliform-positive result.

Immediately publish public notice of the fecal coliform violation in a newspaper in the area. Immediately provide the public notice to radio and television stations that broadcast in the area. Copies of all public notices and affidavits of the publication and broadcasts are required to be submitted to ADEQ. Since subsequent samples taken on October 20, 1999, were all total coliform-negative, the requirement of direct mailing of the public notice will be waived.

Johnson Ranch, PWS #11-128

Certified Operator

Since both systems are owned by Johnson Utilities, LLC, you may have the same operator or two different operators for each water system. Please refer to the paragraph above for the required

Mr. George Johnson
Johnson Utilities, LLC
November 24, 1999
Page 4

documentation of the operator responsible for operations and maintenance and/or monitoring and reporting.

Nitrate Monitoring

As with the Sun Valley V system, the Johnson Ranch water system had an elevated level of nitrate in the second quarter of 1999. A routine inorganic chemical sample taken on June 30, 1999, had a result of 7.6 mg/L. This level of nitrate triggers the requirement for quarterly sampling as per AAC R18-4-208 (see above). A routine inorganic chemical sample was taken on August 31, 1999. The next quarterly nitrate sample must be taken by December 31, 1999.

Nitrate Public Notice

A routine inorganic chemical sample taken on August 31, 1999, had a result of 10.9 mg/L. The exceedance of the nitrate MCL is an acute violation as per AAC R18-4-105. Any sample analytical result for nitrate greater than 10 mg/L requires public notice within 72 hours after the violation via a newspaper, direct mailing, and television or radio broadcast. Copies of all public notices and affidavits of the publication and broadcasts are required to be submitted to ADEQ.

Coliform Monitoring

A routine bacteriological sample taken on October 1, 1999, had a positive result for total coliform. Repeat samples taken on October 4, 1999, also had positive results for total coliforms. PWS #11-128 is required to take five routine samples during the month of November, 1999. (See citations above.)

If any of the increased routine samples for November are total coliform-positive, the system will be required to take three repeat samples within 24 hours for each positive result and five routine samples during the month of December, 1999. Again, I would highly recommend that I discuss the sampling requirements with the operator who you have charged with monitoring and reporting.

Coliform Public Notice

A routine bacteriological sample taken on August 30, 1999, had a positive result for total coliform. No repeat sample results were reported to ADEQ for August, 1999. One routine bacteriological sample was taken on September 13, 1999. The system failed to collect the five increased routine samples required by AAC R18-4-202 (see above). AAC R18-4-10(C) requires that a system that fails to conduct required monitoring give public notice within 3 months of the monitoring violation. Two public notices entitled "Failure to Monitor" were recently issued. One publication dated October 21, 1999, mentioned the failure to monitor microbiologicals, but it was not for PWS #11-128. A second publication dated October 21, 1999, was entitled "Failure to Monitor" and stated that the system "violated the maximum contaminant level for the month of

Mr. George Johnson
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October 1999." Neither public notice addresses the failure to monitor coliforms at PWS #11-128 during August and September, 1999. Immediately publish public notice for the failure to collect repeat samples in August, 1999, and routine samples in September, 1999, in a daily newspaper of general circulation. Affidavits and copies of all public notices must be submitted to ADEQ.

This letter only addresses the issues of the certified operator and the monitoring of coliforms and nitrate. Other monitoring and reporting issues or operation and maintenance issues may arise in the future. Please refer to the enclosures when you prepare the public notices. If I can be of further assistance, please contact me at (602)207-4443 or 1(800) 234-5677 extension 4443.

Sincerely,



Melanie Barton, Compliance Officer
Drinking Water Compliance & Enforcement Unit

MAB:mab

Enclosures

cc: Ralph Bustamonte, Pinal County Health Department 188 South Main, Coolidge, Arizona 85228
Richard Campbell, Storey & Pieroni, PLC 3030 East Camelback Road, Suite 265, Phoenix, Arizona 85016
Mark Endicott, Water & Wastewater Management 35 K Kelner Canyon, Globe, Arizona 85501
Paul Hendricks, Environmental Utility Services, LLC 19002 North 21st Avenue, Phoenix, Arizona 85027
Don Bush, Rio Verde Utilities, Inc. 19119 East Alondra Way, Rio Verde, Arizona 85263
Patrick Finton, Drinking Water Inspections
Bill DePaul, Drinking Water Enforcement Coordinator

J J

September 20, 1999

99 SEP 27 AM 8:56

ENVIRONMENTAL QUALITY DIVISION
COMPLIANCE SECTION

VIA HAND-DELIVERY

Mr. Jim Puckett
Drinking Water Compliance
Arizona Department of Environmental Quality
3033 North Central Ave.
Phoenix, AZ 85012

Re: Johnson Utilities, LLC
Sun Valley Farms Unit V, PWS ID # 11-116
Johnson Ranch, PWS ID # 11-128

Dear Mr. Puckett:

Enclosed is a plan of action to be undertaken by Johnson Utilities that will bring the above referenced water systems into compliance with State safe drinking water requirements. Johnson Utilities submits this plan of action in the hopes that the Arizona Department of Environmental Quality (ADEQ) will approve of the proactive efforts being made by Johnson Utilities to satisfy its obligations as a drinking water provider. In particular, it is hoped that ADEQ recognizes the resources Johnson Utilities is directing toward improving the performance of Sun Valley Farms Unit V, a system that suffered from neglect until its recent purchase by Johnson Utilities. Thus, if ADEQ finds the action plan is a satisfactory way to proceed, we are requesting written confirmation from ADEQ that the actions taken by Johnson Utilities to bring its systems into compliance will satisfy the State's safe drinking water requirements. We request that ADEQ expedite its response to our action plan so that we may commence work on the system and so that we may publish the public notice for nitrate and failure to monitor as soon as possible.

Provided below is the action plan which will bring PWS 11-116 and PWS 11-128 into compliance:

SUN VALLEY FARMS UNIT V, PWS ID # 11-116

The Community Water System Worksheet ("Worksheet") provided by ADEQ, dated August 6, 1999, along with the Arizona Corporation Commission (ACC) Status Request, dated June 24, 1999, indicates that most of the deficiencies described by ADEQ in these documents were the result of a historical failure by the previous owners of Sun Valley Farms Unit V to provide sampling and monitoring records to ADEQ. Public notice requirements were also neglected. Actions to be taken by Johnson Utilities and the State Monitoring Assistance Program ("MAP") toward remedying these deficiencies are discussed below.

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Johnson International, Inc.

5230 E. Shea Boulevard • Scottsdale, AZ 85254 • Phone: (480) 998-3300 • Fax: (480) 483-7908

1999, indicates that most of the deficiencies described by ADEQ in these documents were the result of a historical failure by the previous owners of Sun Valley Farms Unit V to provide sampling and monitoring records to ADEQ. Public notice requirements were also neglected. Actions to be taken by Johnson Utilities and the State Monitoring Assistance Program ("MAP") toward remedying these deficiencies are discussed below.

1. **Total coliforms**

Deficiency:

Missing records. The deficiencies noted in the Worksheet were characterized as minor, and comprised of missing sampling records dating as far back as 1995. Johnson Utilities has not been able to locate the records generated prior to Johnson's purchase of the system, and Johnson Utilities does not believe it ever came into possession of these records. However, attached are Johnson Utilities' Microbiological Analysis Reports for June, July and August 1999 (**Attachment A**) that have reflect sampling performed by Johnson Utilities since it assumed operation of the system this summer.

Plan of Action:

Sampling. To prevent these minor deficiencies from occurring again, Johnson Utilities will immediately begin sampling for total coliforms on a monthly basis. Johnson Utilities will sample under the attached Microbiological Site Sampling Plan. (**Attachment B**). As noted above, Johnson Utilities commenced sampling in June 1999.

Because the number of samples is based on the population served by the water system, Johnson Utilities will take, under R18-4-202.F., one sample per month. Johnson Utilities will utilize the Arizona Drinking Water Microbiological Analysis Report.

2. **Inorganic chemicals (IOCs)**

Deficiency:

Missing records. The Worksheet indicates ADEQ lacks sampling results for cyanide. ADEQ characterizes this deficiency as major. Johnson Utilities has not been able to locate this missing record, and Johnson Utilities does not believe it ever came into possession of this record.

Plan of Action:

MAP sampling. MAP will perform IOC sampling, including cyanide. ADEQ indicates that missing cyanide analytical results will result in major deficiency status until either Johnson Utilities or MAP takes a sample that does not exceed the MCL. MAP is scheduled to take samples within the next three months. See Monitoring Assistance Program Drinking Water Current Monitoring Schedule for PWS 11-116 (Attachment C). Thus, this deficiency will be remedied by MAP sampling.

Asbestos sampling by Johnson Utilities. MAP does not sample for asbestos. Thus, Johnson Utilities will sample, under R18-4-207, for asbestos once every compliance cycle (every 9 years), so long as the Maximum Contaminate Level (MCL) is not exceeded. Johnson Utilities is confident its asbestos monitoring efforts will prevent the major deficiencies noted in the Worksheet from occurring in the future.

3. **Volatile organic chemicals (VOCs)**

Deficiency:

Missing records. The Worksheet indicates a minor deficiency caused by a missing first quarter 1996 sample. Johnson Utilities has not been able to locate this missing record, and Johnson Utilities does not believe it ever came into possession of this record. Johnson Utilities is confident, however, that sampling by MAP will prevent this type of deficiency from occurring in the future.

Plan of Action:

MAP Sampling. MAP has indicated to Johnson Utilities that it has performed its baseline sampling for 1999. More frequent monitoring is required if there is a detection or MCL violation. Under ADEQ regulations, the number of samples required is based on the number of point-of-entries. Sun Valley Farms has one point-of-entry, thus, one sample is required.

4. **Synthetic organic chemicals (SOCs)**

Deficiencies:

Missing records. Minor deficiencies were noted by ADEQ in its Worksheet. These deficiencies are missing sampling records from the fourth quarter of 1995 and first quarter of 1996. Johnson Utilities is unable to locate these missing records, and Johnson Utilities does not believe it ever came into possession of these records.

However, Johnson Utilities is confident that such minor deficiencies will be prevented in the future due to MAP sampling.

Dioxin waiver not indicated. A major deficiency noted by ADEQ in the Worksheet was the absence of a "Dioxin Waiver" for compliance period 1996-1998.

Plan of Action:

MAP sampling. MAP has indicated to Johnson Utilities that its baseline sampling for 1999 is complete. Sampling will occur annually (previously for four consecutive quarters in assigned monitoring year during each compliance period at each point-of-entry). MAP has indicated that PWS ID# 11-116 has qualified for inter-monitoring relief (IMR)).

Maintenance of current dioxin waiver. Johnson Utilities is unable to locate any documentation relating to this waiver. However, ADEQ issued a dioxin waiver for the 1999-2000 compliance period. Johnson Utilities will monitor the status of this waiver. Johnson Utilities is confident that with the dioxin waiver in place such deficiencies will be avoided in the future

5. **Radiochemicals.**

Deficiency:

Missing records. ADEQ's Worksheet indicates that 1996 records are missing. Johnson Utilities is unable to locate these records. However, Johnson Utilities is confident its sampling efforts will prevent this minor deficiency from occurring in the future.

Plan of Action:

Sampling

Johnson Utilities will conduct sampling for four consecutive quarters from each point of entry every four years. ACC R18-4-217. Johnson Utilities will use the Arizona Drinking Water Radiochemical Analysis Reporting Form available from ADEQ to report sampling results to ADEQ.

Sampling commenced on September 13, 1999. Laboratory results will be submitted to ADEQ shortly.

6. Lead and copper.

Deficiency:

Missing records. The ADEQ Worksheet indicates that no sampling records have been submitted to ADEQ.

Plan of Action:

Sampling

Johnson Utilities will sample within two consecutive six-month monitoring periods. Sampling is based on population. R18-4-310.C. Johnson Utilities Unit V serves 77 people. Thus, five (5) samples will be taken. Sampling commenced on September 13, 1999. Laboratory results will be submitted to ADEQ shortly. Johnson Utilities will utilize the ADEQ Drinking Water Lead and Copper Analysis Report.

7. Nitrite

Deficiency

Sampling results unclear. As indicated in the Worksheet, ADEQ cannot tell from first quarter results if nitrite levels are above the MCL for nitrate. ADEQ considers this a major deficiency.

Plan of Action:

Sampling

Johnson Utilities will sample once every nine years at each groundwater point-of-entry. The first sample will be taken in the assigned monitoring year (ADEQ no longer accepts combined nitrate/nitrite results).

8. Nitrate

Deficiencies

Missing records. The deficiencies reflected in ADEQ's Worksheet date back to 1995 and are comprised primarily of missing records and failure to provide public notice (discussed below).

Lack of public notice. Under R18-4-105.A, a PWS that fails to comply with an applicable MCL must provide public notice to persons served by the system.

Plan of Action:

Improve drinking water well. Subsurface waters are frequently contaminated with nitrates from fertilizers filtering from irrigation waters in to the subsurface. In most cases these nitrate contaminants remain near the upper portion of the aquifer. Unfortunately, in the Sun Valley Farms area, the rising water level resulting from reduced pumping and the application of CAP water may have disturbed this normal condition. Johnson Utilities hired hydrologist Paul Manera, Manera Inc., to check the waters throughout the aquifer to determine if there are low nitrate waters anywhere in the aquifer and to determine if water is available from any section of the well located in the northernmost part of Section 28 that satisfies ADEQ nitrate requirements. The program of action is to:

- ☐ Remove the existing pump from the well (completed September 7, 1999).
- ☐ Conduct a television scan of the well to determine the condition of the casing (completed).
- ☐ Clean the well. As a result of the television scan, Navajo Pump and Supply Incorporated has been contracted to clean the well. Well cleaning commenced September 20, 1999.
- ☐ Attempt to differentiate the areas of high and low nitrates after the well casing has been cleaned (scheduled for completion September 30, 1999).

Should the testing prove the presence of lower nitrate waters, Johnson Utilities may propose to retrofit the well to meet safe drinking water requirements.

Sampling. Johnson Utilities will monitor on a quarterly basis. R18-4-208.F. ADEQ may subsequently reduce the monitoring frequency at the groundwater sampling point from quarterly to annually if the analytical results for 4 consecutive quarterly samples are below 10 mg/L. Johnson Utilities has commenced monitoring.

Although submittal of sampling results is not required until the end of the year, Johnson Utilities submits its June sampling results (**Attachment D**) because the results reflect an MCL exceedance. As discussed below, Johnson Ranch will publish a Public Notice and has already contacted ADEQ to report the violation.

Immediate Public Notice. Johnson Utilities will immediately provide public notice of the nitrate MCL to Sun Valley customers using the form available to the public on ADEQ's website. Johnson Utilities has included language in the notice describing its efforts to correct the deficiencies noted in ADEQ's Community Water System Worksheet. This form was submitted to ADEQ for its approval on September 14, 1999. Public notice will be published in the Mesa Tribune, which is a daily paper that covers the Sun Valley area. An affidavit confirming the publication will be submitted to ADEQ as soon as possible.

Subsequent Public Notice.

Subsequent public notices will be published quarterly and will be included in Johnson Utilities' water bills to its Sun Valley Unit V customers.

9. Failure to Monitor: Public Notice

Under R18-4-105.C, failure to conduct required monitoring must provide public notice within three months. R18-4-105.E requires repeat notice at least once every three months for as long as the violation exists. Johnson Utilities will immediately provide public notice of its monitoring violation to Sun Valley customers. Johnson Utilities will use the attached form of notice (Attachment E) obtained from ADEQ.

Johnson Ranch, PWS ID # 11-128

PWS 11-128 had a begin date of June 1, 1999. ADEQ indicates in the ACC Status Request, dated June 24, 1999, that it has no results for this PWS for total coliform, radiochemical and lead and copper sampling. Johnson Utilities has initiated monitoring for these contaminants. Attached are the sampling records ADEQ is requesting, with the exception of the July 1999 Microbiological Analysis Report. Johnson Utilities is confident it will locate the Report and forward it as soon as possible. Johnson Utilities also understands that MAP will begin its initial monitoring for inorganic chemicals, volatile organic chemicals and synthetic organic chemicals beginning in the year 2000. The action plan is provided below.

1. Total coliforms

Deficiency:

Missing records. ADEQ indicates in the ACC Status Request, dated June 24, 1999, that it has no results for total coliform sampling.

MCL exceedance. August 1999 sampling results indicate an exceedance of the MCL for total coliform. A repeat sample, however, indicated a negative total coliform result.

Plan of Action:

Missing records: Attached are the Drinking Water Microbiological Analysis Reports for June 1999 and August 1999. (Attachment F). As mentioned above, Johnson Utilities is in the process of locating the July 1999 Report that will be submitted as soon as possible.

Sampling. Johnson Utilities will continue sampling for total coliforms on a monthly basis. Because the number of samples is based on the population served by the water system, Johnson Utilities will take, under R18-4-202.F., one sample per month. In addition, an Arizona Drinking Water Microbiological Analysis Plan is attached (Attachment G).

MCL exceedance. Repeat sampling was performed on September 13, 1999. The test was negative. Results will be submitted to ADEQ. No follow-up testing or notice is otherwise required under ADEQ regulations.

2. **Radiochemicals.**

Deficiency:

Missing records. ADEQ indicates in the ACC Status Request form, dated June 24, 1999, that it has no results for radiochemical sampling.

Plan of Action:

Sampling. Continue sampling, to be conducted for four consecutive quarters, from each point of entry every four years. ACC R18-4-217. Johnson Utilities will use the Arizona Drinking Water Radiochemical Analysis Reporting Form available from ADEQ to report sampling results to ADEQ. Sampling commenced on September 13, 1999. Laboratory results will be submitted to ADEQ shortly.

3. **Lead and copper.**

Deficiency:

Missing records. ADEQ indicates in the ACC Status Request form, dated June 24,

1999, that it has no results for lead and copper sampling.

Plan of Action:

Sampling: Continue sampling for lead and copper and will sample within two consecutive six-month monitoring periods. The ADEQ Drinking Water Lead and Copper Analysis Report will be utilized for reporting purposes.

Sampling commenced on September 13, 1999. Laboratory results will be submitted to ADEQ shortly.

4. Nitrate

Deficiency

MCL exceedance. The attached Drinking Water Inorganic Chemical Analysis Reports for August 1999 (**attachment H**) indicates an exceedance of the nitrate MCL. Although Johnson Utilities is not required to submit nitrate sampling results until December 1999, Johnson Utilities has notified ADEQ of this nitrate sampling result because it exceeds the MCL.

Plan of Action:

Continue sampling. Johnson Utilities understands that nitrate results are due by December 31, 1999. However, repeat sampling was performed on September 13, 1999 in response to the discovery that the system exceeded the nitrate MCL. Retests were performed at the same well (Well #5) that tested positive. Results will be submitted to ADEQ shortly.

SUMMARY

The action plan detailed above for PWS 11-116 and PWS 11-128 is not a complete listing of all the actions that Johnson Utilities contemplates performing to satisfy its safe drinking water act obligations. The action plan responds specifically to the deficiencies noted in ADEQ's Community Water System Worksheet and ACC Status Requests. We are confident the action plan described above will bring both systems into compliance within a reasonable time period.

We would appreciate your written response including language substantially in the form of that provided below, which the Company can present to the Arizona Corporation Commission at a

Mr. Jim Puckett
Arizona Department of Environmental Quality
September 20, 1999
Page 10 of 10

hearing on extending the Company's Certificate of Convenience and Necessity. That hearing is set for September 30, 1999. The language we recommend is as follows:

"We hereby acknowledge that the deficiencies noted on the Compliance Status Reports received by the Arizona Corporation Commission on August 24, 1999 (copies of which are attached hereto), have been resolved, or a plan of resolution acceptable to ADEQ has been reached which will permit the systems to come into compliance in a timely fashion. The health of the public is not at risk on the systems at this time."

Thank you for your cooperation in this matter. Please do not hesitate to call me in the event you have any questions.

Sincerely,


George Johnson

cc: Dick Sallquist
Paul Hendricks
Paul Manera
Brian Tompsett
Robert Anderson
Richard Campbell

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

DRINKING WATER SECTION

FACILITY FILE MEMO

PWS FILE: PWS 11-116 Johnson Utilities, LLC - Sun Valley Farms
PWS 11-128 Johnson Utilities, LLC - Johnson Ranch

DATE: August 22, 1999

RE: DWR ACC Compliance Status Requests, and
David Tietjen, Water User, Compliance Status Request

FROM: Nina Kondos, Environmental Health Specialist II

On 08/10/99, I mailed a completed Compliance Status Request with Worksheet to Christa McJunkin, at DWR for PWS 11-116 Johnson Utilities LLC - Sun Valley Farms. Copies were also mailed to George Johnson of Johnson Utilities, LLC and Paul Hendricks, his Certified Operator. Copies were also placed in the Facility File.

The ACC also requested a Compliance Status Report for PWS 11-128 Johnson Utilities, LLC - Johnson Ranch. I also received a Request for Compliance Status from David Tietjen, who owns land adjacent to one of the Johnson Utilities and is awaiting approval to use the water. Mr. Tietjen stated that he has been unable to determine why the approval to connect has been delayed and requested the status reports.

Today I mailed a the following to Steve Olea at the ACC and to David Tietjen with copies to George Johnson and Paul Hendricks. I also left a message with Mr. Johnson's secretary on 08/19/99 regarding NO Compliance Testing Results for PWS 11-128.

- * - Copy of the recently completed DWR Status Report with Worksheet for PWS 11-116 Johnson Utilities- Sun Valley Farms showing Major Deficiencies including a Nitrate MCL.
- * Single Page Compliance Status Report for PWS 11-128 Johnson Utilities-Johnson Ranch showing that ADEQ has NO RESULTS including NO TC results = Major Deficiencies.
- * A copy of the David Tietjen Request for Compliance Status for both PWS.

cc: PWS 11-116 Johnson Utilities, LLC - Sun Valley Farms
PWS 11-128 Johnson Utilities, LLC - Johnson Ranch

COMMUNITY WATER SYSTEM - WORKSHEET - GROUNDWATER

PWS #: 11-116

PWS NAME: JOHNSON UTILITIES, LLC-SUN VALLEY FARMS

Prepared By: Nina Kondo, EHS II

Date: 08/06/99

This PWS has 1 + POEs
Initial Monitoring Year: 1996
MAP Year: 1999

Phase II: 1996 Phase V: 1996
Population: 77

Rad Chems: 1996
Service Con: 22

System Begin Date: 10/01/95

RULE CITATION	REQUIRED M & R	YOU HAVE COMPLETED	WHAT YOU NEED	COMMENTS
TOTAL COLIFORM Microbiological R18-4-202 No Grandfathered Data	Monthly, based on population at sites representative of the water throughout the distribution system.	MINOR DEFICIENCIES 1995 Nov. - No Results 1996 No Results for: April June August September December 1997 Feb - No Results June - No Minimum 5 routine Samples following TC + in May 1997. Nov. - No Results 1998 Jan. - No Results April - No Results June - NO RESULTS AND No Minimum 5 routine Samples following TC + in May 1998. Sept - No Results. 1999 April - No Results	MINOR DEFICIENCIES Please review your records and determine if you have the missing analytical results.	ADEQ RECORDS MAY NOT CORRECTLY REFLECT THE TOTAL NUMBER OF POINTS OF ENTRY AND/OR ALL THE SOURCES SERVING THIS PWS. PLEASE PROVIDE DOCUMENTATION REGARDING SOURCE WATER INCLUDING DWR WELL REGISTRATION NUMBERS ALONG WITH THE LOCATION FOR EACH SOURCE TO ADEQ.

COMMUNITY WATER SYSTEM - WORKSHEET - GROUNDWATER

PWS #: 11-116

PWS NAME: JOHNSON UTILITIES, LLC-SUN VALLEY FARMS

Prepared By: Nina Kondoo, EHS II

Date: 08/06/99

This PWS has Initial Monitoring Year: 1996
Phase II: 1996 Phase V: 1996
MAP Year: 1999 Population: 77

Rad Chems: 1996
Service Con: 22

System Begin Date: 10/01/95

RULE CITATION	REQUIRED M & R	YOU HAVE COMPLETED	WHAT YOU NEED	COMMENTS
INORGANIC (IOC) R18-4-205 Grandfather Data 1990 - 1992 for 93-95 Compliance Period.	One sample at each POE due once every 3 years during each compliance period.	MAJOR DEFICIENCY Compliance Period 1996-1998 Have 2Q96 results for ALL contaminants EXCEPT Cyanide. Compliance Period 1999-2001 MAP Year is 1999.	MAJOR DEFICIENCY Please review your records and determine if you have the missing analytical results. Major Deficiency will remain until ADEQ receives a Cyanide analytical result from either the water system OR until MAP takes a sample. Sample result must have no trigger or MCL.	< 10,000 Population - ADEQ Monitoring Assistance Program (MAP) will begin monitoring during Compliance Period 1999 to 2001, and will determine the required monitoring.
ASBESTOS R18-4-207 Grandfather Data After 1990	One sample at each POE due in the initial monitoring year. Due once every 9 years.	NO DEFICIENCY Have 2Q96 results.	NO DEFICIENCY	

COMMUNITY WATER SYSTEM - WORKSHEET - GROUNDWATER

PWS #: 11-116

PWS NAME: JOHNSON UTILITIES, LLC-SUN VALLEY FARMS

Prepared By: Nina Kondos, EHS II

Date: 08/06/99

Initial Monitoring Year: 1996

Phase II: 1996 Phase V: 1996

Rad Chems: 1996

System Begin Date: 10/01/95

MAP Year: 1999 Population: 77

Service Con: 22

RULE CITATION	REQUIRED M & R	YOU HAVE COMPLETED	WHAT YOU NEED	COMMENTS
<p>NITRATE R18-4-208 No Grandfather Data</p>	<p>One annual sample at each POE. NITRATE MCL - 10 mg/L.</p>	<p>MAJOR DEFICIENCIES UNRESOLVED MCL 1995 Have 4 Q95 result reported as combined nitrate/nitrite of 13.1 mg/L. 1996 Have 1 Q95 result reported as combined nitrate/nitrite of 10.7 mg/L. 1997 Have 3 Q97 result reported as Nitrate only of 13.7 mg/L.</p>	<p>MAJOR DEFICIENCIES Please review your records and determine if you have the missing analytical results. PWS MUST IMMEDIATELY ISSUE PUBLIC NOTICE TO PERSONS SERVED BY THE WATER SYSTEM OF THE NITRATE MCL. PUBLIC NOTICE MUST BE PROVIDED UNTIL THE NITRATE MCL ISSUE IS RESOLVED. PWS MUST SAMPLE QUARTERLY; MUST APPLY BEST AVAILABLE TECHNOLOGY/BAD; AND PROVIDE AN ALTERNATE SOURCE OF WATER. SEE DRINKING WATER RULES</p>	
<p>BEST AVAILABLE TECHNOLOGY (BAT) R18-4-220</p>	<p>ADEQ no longer accepts combined Nitrate/Nitrite results. Each must be tested and reported separately.</p>	<p>MAJOR DEFICIENCIES NO RESULTS</p>	<p>MAJOR DEFICIENCY Please review your records and determine if you have the missing analytical results. IF NOT, IMMEDIATELY take a Nitrite sample at EACH POE.</p>	
<p>NITRITE R18-4-209 No Grandfather Data</p>	<p>One sample at each POE due in the initial monitoring year. Due once every 2 years.</p>	<p>MAJOR DEFICIENCY NO RESULTS Have 2 Q96 result reported as combined nitrate/nitrite of 10.7 mg/L - unable to determine Nitrite results.</p>		

COMMUNITY WATER SYSTEM - WORKSHEET - GROUNDWATER

PWS #: 11-116

PWS NAME: JOHNSON UTILITIES, LLC-SUN VALLEY FARMS

Initial Monitoring Year: 1996

Phase II: 1996 Phase V: 1996

Prepared By: Nina Kondos, EHS II

Date: 08/06/99

This PWS has 1 + POEs

MAP Year: 1999

Population: 77

Rad Chems: 1996
Service Con: 22

System Begin Date: 10/01/95

RULE CITATION	REQUIRED M & R	YOU HAVE COMPLETED	WHAT YOU NEED	COMMENTS
VOLATILE ORGANIC CHEMICAL (VOC) R-18-4-211 & R18-4-212 Grandfather Data 1988-1992 for 93 - 95 Compliance Period.	Grandfather Data plus 2 annual samples at each POE during 93-98 Compliance Periods. <u>No Grandfather Data:</u> 4 consecutive quarterly samples at each POE during the initial monitoring year plus 2 annual samples during 93-98 Compliance Periods. Apply for reduced after 4 Qtrs plus 2 annual samples with no detect.	MINOR DEFICIENCIES <u>Compliance Period 1996-1998</u> Have 4Q95 and 2Q96-3Q96-4Q96 Missing 1Q96 to complete required 4 consecutive quarterly samples. <u>Compliance Period 1999-2001</u> Have 1Q99 results. MAP to sample in 1999.	MINOR DEFICIENCIES Please review your records and determine if you have the missing analytical results. Minor Deficiencies reflect failure to complete 4 consecutive quarterly samples during the initial monitoring year. Only 3 of 4 consecutive quarters were completed. No other results were received between 1996-1998.	< 10,000 Population - ADEQ Monitoring Assistance Program (MAP) will begin monitoring during Compliance Period 1999 to 2001, and will determine the required monitoring.
SYNTHETIC ORGANIC CHEMICALS (SOC) R18-4-215 & R18-4-216 Grandfather Data 1990 - 1992 for 93 - 95 Compliance Period.	Grandfather Data 1993 - 1995, no additional monitoring required until 96 - 98 Compliance Period. No Grandfather Data: GW Only - < 10,000 population, apply for <u>Interim Monitoring Relief</u> (IMR). Take one round of samples between 08/06/96 and 08/06/99, for ALL SOC at each POE in lieu of 4 consecutive quarters and certify depth to groundwater > 20 feet. < 3,300 population take 4 consecutive quarterly samples at each POE during 93-95. Take 1 sample for each contaminant during repeat compliance periods. Compliance Period 1999-2000 - apply for reduced monitoring: >3,300 population take 2 non-consecutive quarterly samples at each POE for each contaminant during repeat compliance periods. (See rule for waivers/ reduced)	MAJOR DEFICIENCIES <u>Compliance Period 1996-1998</u> Have 4Q95 results for all contaminants and a Dioxin Waiver for 1993-1995. Have 2Q96-3Q96-4Q96 Missing 1Q96 to complete required 4 consecutive quarterly samples. PWS does have an IMR Qualifying Sample taken on 10/16/96 for ALL contaminants EXCEPT DIOXIN. ADEQ has no record that a Dioxin Waiver was issued for 1996-1998. <u>Compliance Period 1999-2001</u> MAP to sample in 1999. ADEQ issued a Dioxin Waiver for 1999-2001.	MAJOR DEFICIENCIES Please review your records and determine if you have the missing analytical results Major Deficiency will remain until ADEQ receives missing analytical results from either the water system OR until MAP takes a sample or issues a waiver. Sample result must have no trigger or MCL.	< 10,000 Population - ADEQ Monitoring Assistance Program (MAP) will begin monitoring during Compliance Period 1999 to 2001, and will determine the required monitoring.

COMMUNITY WATER SYSTEM - WORKSHEET - GROUNDWATER

PWS #: 11-116

PWS NAME: JOHNSON UTILITIES, LLC-SUN VALLEY FARMS

Prepared By: Nina Kondoo, EHS II

Date: 08/06/99

Initial Monitoring Year: 1996

Phase II: 1996 Phase V: 1996

Rad Chems: 1996

This PWS has 1 + POEs

MAP Year: 1999 Population: 77

Service Con: 22

System Begin Date: 10/01/95

RULE CITATION	REQUIRED M & R	YOU HAVE COMPLETED	WHAT YOU NEEDED	COMMENTS
RADIOCHEMICAL R18-4-217 No Grandfather Data. Community Water System Only	Due at 4 Year intervals based on the annual composite of 4 consecutive quarterly samples OR the average of the results of 4 samples taken at quarterly intervals at the POE per rules effective 06/03/98. May be approved for grab samples.	MINOR DEFICIENCY PWS is NOT approved for Grab Sampling. 4 Year Compliance Intervals Compliance Interval 1996-1999 POE #01 DWR # 55-627924 Have a single grab sample taken in the 4Q96.	MINOR DEFICIENCY Please review your records and determine if you have the missing analytical results IF NOT, IMMEDIATELY begin sampling radiochemicals by taking an annual composite of 4 consecutive quarterly samples OR the average of the results of 4 samples taken at quarterly intervals at the POE.	IMPORTANT: ADEQ RECORDS MAY NOT CORRECTLY REFLECT THE TOTAL NUMBER OF POINTS OF ENTRY AND/OR ALL THE SOURCES SERVING THIS PWS. PLEASE PROVIDE DOCUMENTATION REGARDING SOURCE WATER INCLUDING DWR WELL REGISTRATION NUMBERS ALONG WITH THE LOCATION FOR EACH SOURCE TO ADEQ.
LEAD & COPPER R18-4-306 to R18-4-317	R18-4-310: Number of required samples is based on population. Collect 2 consecutive 6-month initial tap water samples. No action level exceedances - apply for reduced sampling.	MAJOR DEFICIENCY NO RESULTS.	MAJOR DEFICIENCY Please review your records and determine if you have the missing analytical results IF NOT, IMMEDIATELY begin the first of 2 consecutive 6-month initial tap water samples.	
SULFATE R18-4-401 Grandfather after 1990 if results are < 250 mg/L.	Take one sample at each POE before 12/31/93. Due once every 5 years.	NO DEFICIENCY 5 Year Compliance Interval Initial Sample Due 12/31/95.	NO DEFICIENCY	< 10,000 Population - ADEQ Monitoring Assistance Program (MAP) will begin monitoring during Compliance Period 1999 to 2001, and will determine the required monitoring.

COMMUNITY WATER SYSTEM - WORKSHEET - GROUNDWATER

PWS #: 11-116

PWS NAME: JOHNSON UTILITIES, LLC-SUN VALLEY FARMS

Prepared By: Nina Kondos, EHS II

Date: 08/06/99

Initial Monitoring Year: 1996
This PWS has 1 + POEs

Phase II: 1996 Phase V: 1996
MAP Year: 1999 Population: 77

Rad Chems: 1996
Service Con: 22

System Begin Date: 10/01/95

RULE CITATION	REQUIRED M & R	YOU HAVE COMPLETED	WHAT YOU NEED	COMMENTS
SODIUM R18-4-402 No Grandfather Data. R18-4-101.104	Samples based on the number of Water Treatment Plants (WTP). One sample every 3 years for each WTP. A Booster Chlorinator is NOT a WTP. A Chlorinator IS a WTP. Due in initial monitoring year.	NOT REQUIRED ADEQ records do NOT list a WTP for this system. 3 Year Compliance Intervals	NOT REQUIRED	< 10,000 Population - ADEQ Monitoring Assistance Program (MAP) will begin monitoring during Compliance Period 1992 to 2001, and will determine the required monitoring.
UNREGULATED VOC R18-4-404 Grandfather Data after 1983	Take one sample at each POE. Due once every 5 years. Due in the initial monitoring year.	NO DEFICIENCY Have partial results 4Q95 and 2Q96. Have complete round of sample results for ALL contaminants in 3Q96 and 4Q96. 5 Year Compliance Intervals	NO DEFICIENCY	< 10,000 Population - ADEQ Monitoring Assistance Program (MAP) will begin monitoring during Compliance Period 1992 to 2001, and will determine the required monitoring.
UNREGULATED SOC R18-4-405 No Grandfather Data	GW Only - < 10,000 population, apply for Interim Monitoring Relief (IMR). Take one round of samples between 08/06/96 and 08/06/99, for ALL UNREGULATED SOC at each POE in lieu of 4 consecutive quarters and certify depth to groundwater > 20 feet. OR take 4 consecutive quarterly samples at each POE before 12/31/95. Due once every 5 years.	MINOR DEFICIENCY 5 Year Compliance Intervals Initial Sample Due 12/31/95.	MINOR DEFICIENCY	Effective March 9, 1999, PWS with < 10,000 Population no longer have to sample for unregulated contaminants. ADEQ has issued an EXCLUSION until EPA modifies its rules. < 10,000 Population - ADEQ Monitoring Assistance Program (MAP) will begin monitoring during Compliance Period 1992 to 2001, and will determine the required monitoring.

COMMUNITY WATER SYSTEM - WORKSHEET - GROUNDWATER

PWS #: 11-116

PWS NAME: JOHNSON UTILITIES, LLC-SUN VALLEY FARMS

Prepared By: Nina Kondos, EHS II

Date: 08/06/99

Initial Monitoring Year: 1996
This PWS has 1 + POEs

Phase II: 1996
MAP Year: 1999

Phase V: 1996
Population: 77

Rad Chems: 1996
Service Con: 22

RULE CITATION	REQUIRED M & R	YOU HAVE COMPLETED	WHAT YOU NEEDED	COMMENTS
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CERTIFIED OPERATOR R18-4-114 Drinking Water Rules R18-5-114 B. Chapter 5, Article 1: Environmental Reviews & Certifications-General Requirements.	Drinking Water Rules: A water supplier of a PWS shall provide for a certified operator who is properly certified pursuant to Chapter 5, Article 1, to operate each WTP and distribution system. Operator Certification Rules: Distribution systems are classified according to population served.	NO DEFICIENCY ADEQ received a letter dated June 8, 1999 from Environmental Utilities Services stating that Paul Hendricks is the Certified Operator for this PWS	NO DEFICIENCY	
PUBLIC NOTICE R18-4-105	A water supplier of a public water system that fails to conduct required monitoring shall publish notice in a daily newspaper of general circulation within 3 months of the monitoring violation OR if a Community Water System is located in an area NOT served by a daily newspaper the water supplier shall publish notice in a weekly newspaper of general circulation within 3 months of the violations. Repeat public notice is required every 3 months for as long as the violations exist. See Rule for complete details ON Public Notice for Acute & Non-acute MCL and monitoring and reporting violations.	MINOR DEFICIENCY ADEQ HAS NO RECORD THAT PWS ISSUED PUBLIC NOTICE TO PERSONS SERVED BY THE WATER SYSTEM OF THE VIOLATIONS LISTED IN THIS WORKSHEET.	MINOR DEFICIENCY IMMEDIATELY ISSUE PUBLIC NOTICE TO PERSONS SERVED BY THE WATER SYSTEM OF THE VIOLATIONS LISTED IN THIS WORKSHEET. If you have any questions or need assistance call ADEQ.	PWS MUST IMMEDIATELY ISSUE PUBLIC NOTICE REGARDING THE NITRATE MCL.

COMMUNITY WATER SYSTEM - WORKSHEET - GROUNDWATER

PWS #: 11-116

PWS NAME: JOHNSON UTILITIES, LLC-SUN VALLEY FARMS

Prepared By: Nina Kondor, EHS II

Date: 08/06/99

This PWS has 1 + POEs

Initial Monitoring Year: 1996

Phase II: 1996 Phase V: 1996

Rad Chems: 1996

System Begin Date: 10/01/95

RULE CITATION	REQUIRED M & R	YOU HAVE COMPLETED	WHAT YOU NEED	COMMENTS
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LAST INSPECTION: ADEQ TO REQUEST COMPLIANCE INSPECTION BE PERFORMED AS SOON AS POSSIBLE.

QUESTIONS - PLEASE CALL TOLL FREE IN ARIZONA:

Monitoring Assistance Program (MAP)	Moncef Tihani, Manager, 1-800-234-5677, ext. 4425, or Anthony Bode, 1-800-234-5677, ext. 4532
Consumer Confidence Reporting (CCR)	Dale Ohnmeis, Manager, 1-800-234-5677, ext. 4648, or Bill Reed, 1-800-234-5677, ext. 4638
Operator Certification	John Bulanowski, Manager, 1-800-234-5677, ext. 4625
Drinking Water Compliance Enforcement	1-800-234-5677, ext. 4624

Internet Website: www.adeq.state.az.us/

Official Copy of Drinking Water Rules can be obtained from Secretary of State Publications (602) 542-4086 - A.A.C. Title 18, Chapter 4, Rules Effective 06/03/98.

cc: Facility File PWS 11-116 Johnson Utilities, LLC

DWR Christa McLunkin via US Mail

PWS Management - George Johnson & Paul Hendricks via US Mail

Stephanie Koes, ADEQ Field Inspector

Arizona Department of Water Resources
(602) 417-2460
FAX (602) 417-2423

ARIZONA DEPARTMENT OF WATER RESOURCES - Office of Assured & Adequate Water Supply:

Person Requesting Information: Christa McJunkin

Requestor's Phone Number: 602-417-2400, ext 7165

Date of Request: June 8, 1999

Certain information concerning water systems in Arizona is necessary to complete reviews performed by the Water Resources Section. Please fill in the following information on the requested utility. System numbers are provided when they are known. Please return this information by fax number (602) 417-2423.

System name: JOHNSON UTILITIES, LLC - Sun Valley Farms Unit V

PWS ID #: 11-116

Compliance Status: Please check; if in Non-Compliance or Substantial Compliance, please explain why.
Compliance

Minor Deficiencies

XX Major Deficiencies

Explanation:

SEE ATTACHED WORKSHEET FOR DETAILS ON MAJOR AND MINOR DEFICIENCIES.

The latest representative measurements for the following:

TDS 766 mg/L
(Contaminant Code 1930)

Fluoride 0.8 mg/L
(Contaminant Code 1025)

Nitrate 13.7 mg/L
(Contaminant Code 1040)

~~Specific Water Quality Problems:~~ UNRESOLVED NITRATE MCL & Major Monitoring Deficiencies.

Evaluation completed by: Nina Kondos (602) 207-4608 or 1-800-234-5677, ext. 4608 Nina

Title: EHS II/Compliance Officer **DATE:** August 6, 1999

Individuals requesting information were notified of compliance status query results by US MAIL 8/10/99

CC: Facility File PWS 11-116 Johnson Utilities, LLC - Sun Valley Farms
PWS Management - George Johnson & Paul Hendricks

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Arizona Department of Water Resources
(602) 417-2460
FAX (602) 417-2423

AUG 11 1999

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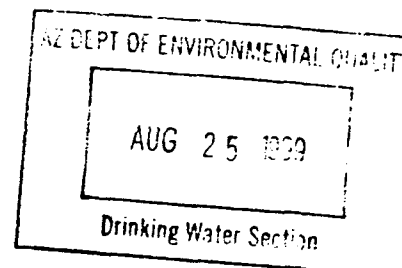
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CC: Facility File PWS 11-116 Johnson Utilities, LLC - Sun Valley Farms
PWS Management - George Johnson & Paul Hendricks

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**COMPLIANCE TRACKING & ENFORCEMENT UNIT
TELEPHONE CONTACT**

DATE: June 14, 1999 **TIME:** 7:15 am
CONTACT NAME: Paul Hendricks, Certified Operator
REPRESENTING: PWS 11-116 - Johnson Utilities - Sun Valley Farms
PHONE NO: (602) 582-8560 Office or (602) 669-2069 Pager
SUBJECT: Compliance Status ASAP
CALL MADE BY: Nina Kondos, Environmental Health Specialist II, DWCTU *NINA*

Mr. Hendricks left a voice mail message asking that I call him to schedule a meeting to discuss the monitoring and reporting compliance status. He wanted to meet next Monday, June 21, 1999. I returned Mr. Hendrick's call.

I again explained that ADEQ cannot produce automated Compliance Status Reports and referred to the FAX I sent him on 06/09/99, stating that I already had a request from DWR and that I would provide a copy to him and Mr. Johnson. However, I again explained that I have several other requests to complete ahead of this one and that it takes several hours to manually complete an assessment. Mr. Hendricks said that he did receive my fax, but that Mr. Johnson wanted to know ASAP what he needed to test for to return the system to compliance. I again explained that had ADEQ known that Mr. Johnson purchases the water system earlier this year, ADEQ may have been able to complete an assessment before now.

I also asked Mr. Hendricks to try and ID the well number(s) used as the primary source so I can complete the compliance assessment. He said he did take bacti and nitrate samples at two of the wells and has a call into Mr. Johnson to ID the DWR numbers and locations for all 3 wells. I gave him the information ADEQ currently has in the SDW database:

POE 001	DWR 55-627924	Primary Well	Active
POE 002	DWR 55-627923	Back-Up Well	INACTIVE/DISCONNECTED
?	?	Agricultural Well	

I asked that he determine the correct location and DWR numbers and post them on the wells to avoid confusion in the future. Mr. Hendricks said he would.

Mr. Hendricks stated that he also needed direction on getting the proper ADEQ approvals for replacing the water mains at this PWS. He said the owner has already started replacing the mains when he advised Mr. Johnson that he must get ADEQ approval. I gave Mr. Hendricks Bill Shafer's name and number. Mr. Hendrick's asked that I leave a message for Mr. Shafer to call him. I said I could not and would prefer that he contact Mr. Shafer direct, since he Manages a separate unit and he should deal directly with the Technical Engineering Unit. I transferred him to Mr. Shafer's voice mail so he could leave a message.

cc: PWS 11-116 Johnson Utilities, Sun Valley Farms.

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5

1 had all the major components done, but as far as more
2 lagoons and the equipment that goes in them, and more
3 wetlands to polish the effluent, we would do that in
4 phases.

5 Q. So Mr. Bell came down a second time and said,
6 "I've changed my mind, I want you to do all the phases
7 first before there's any approval," what happened
8 then?

9 A. I took a deep breath. How would you explain
10 it? I didn't want to hit him and he was totally
11 wrong. He verbally, and I used his name, and you all
12 can use it, he verbally told us that we could do it in
13 phases, and he comes out there when he is supposed to
14 approve Phase I and says, "I'm not going to do it, you
15 have to do the whole thing."

16 Well, here I've got Centex out there and I've
17 got Capital Pacific and I've got Pinal County looking
18 for the income stream that Phase I could do on the
19 wastewater treatment plant. So I immediately went to
20 the town of Florence and proceeded to make an
21 agreement with them to haul our sewage down to their
22 wastewater treatment plant from the vault that we had
23 in that would force our main sewage from Johnson Ranch
24 down to a wastewater treatment plant. We made that
25 deal.

1 We went back to ADEQ and we said we want a
2 consent order because you haven't lived up to what
3 you've said verbally, so we want it on paper, and so
4 we got a consent order, and it's been fine since then.
5 We've completed the plant, it's working efficiently.

6 Q. And under the consent order the arrangement
7 that you got in writing from ADEQ is that you would
8 vault and haul sewage until the entire facility was
9 completely approved; is that right?

10 A. Yes. We could have just shut down, not done
11 anything, but for all parties concerned, we thought it
12 was best to go ahead and vault and haul. And Phase I
13 cost me about 82,000. I'm not sure what the whole
14 thing cost us, but it was a lot of money. And we did
15 that as a service to our clients and to the county.

16 Q. And who would have been hurt if you would not
17 have --

18 A. Centex Homes and the people that they sold
19 to, Capital Pacific and the people they sold to.
20 Pinal County was looking for the income from building
21 fees and all and permits.

22 Q. And that plan is in compliance today?

23 A. Yes.

24 Q. Let me turn now to a discussion that

25 Ms. Wolfe had with Mr. Tompsett about Sun Valley Five,

1 Unfortunately, we were high profile in the
2 area because we were expanding quite quickly, and we
3 went in there, we had to drill a new well, we had to
4 put in pressure up to the time we got there. It was
5 strictly a gravity system, and so the people weren't
6 getting, they couldn't even hardly take a shower at
7 times. We went in there and put in a new tank.

8 All that country out there, in my humble
9 opinion, has nitrate problems. We went in there and
10 put in an R/O system, and we hooked the new well up
11 that we had at Sun Valley to the R/O system. We had
12 gone through the problem -- the ADEQ came out and
13 inspected the whole installation and approved it.

14 Our engineer, Mr. Dan Coen, was then
15 instructed just turn in your as-builts and we'll turn
16 them around and that's fine, that's all that needs to
17 be done. Somewhere down the line Mr. Coen fouled up
18 and didn't send that in. We were all under the
19 impression it had been turned in. It had been
20 inspected and we had taken tests on it monthly.
21 Everything was in total compliance.

22 Q. Let me interrupt you, the as-builts with the
23 final drawing that show the exact construction
24 specifications and that sort of thing, is that what
25 you're talking about?

1 A. Yes. And they had been out there and
2 inspected the actual construction and approved it.

3 Q. Go ahead, what happened next?

4 A. In the process, we had these problems at
5 Johnson Ranch, and you have two things. You have
6 human failure, and you have good management and you're
7 trying to improve on these all the time. When you're
8 trying to take wells that have problems and you're
9 trying to blend them and running one a few hours and
10 the other one a few hours, and running a low nitrate
11 with a high nitrate or a higher nitrate and getting
12 them all in, you're going to have failures.

13 So we went in, put in an R/O system at both
14 Johnson and Sun Valley.

15 Q. How much does an R/O system cost?

16 A. Oh, gosh, in excess of 250,000. That's just
17 for the plant itself, before you get the electrical
18 and everything, and before you get the maintenance on
19 membranes and what have you.

20 Q. The R/O system is a reverse osmosis system
21 and it's put in to address the nitrate problem in this
22 area?

23 A. Yes, plus I think some solids and whatever
24 else. So we decided that we better look for some
25 wells outside of the farming area to see if we could

1 get water that was low in nitrates, that would take
2 out the possibility of human failure and management
3 failure.

4 We were lucky, we got some permits to do some
5 exploratory wells. We found three wells in the, in
6 Section 17, which we called -- well, it's where the
7 Rickie Well is.

8 Q. Why don't you walk over, point that out on
9 the map so the Hearing Officer and the other parties
10 can see what you're talking about.

11 A. Right here.

12 Q. Where that circle is right there?

13 A. This is totally out of the farming area,
14 which is over in here, and all this water comes out of
15 the Superstitions, and there's nothing between the
16 wells. There's no farming in between. As a result,
17 you're allowed 10 parts per million on nitrates, and
18 this well, this one well specifically came in at .014
19 and .04. So it was, I mean so low in nitrates it was,
20 you know, it's beautiful.

21 We went ahead and turned in plans to ADEQ for
22 two miles of eight-inch line to tie the Rickie Well to
23 the Sun Valley Well and storage. My people goofed.
24 They hooked the Rickie Well into the system without
25 ADEQ approval. They had taken the tests, the water

1 was exquisitely good, but they did it without
2 permission of ADEQ.

3 When I found out about it, I called
4 Mr. Denby, and Mr. Denby immediately calls ADEQ and
5 says we had a problem out there, could we come in and
6 talk to them about it, and Mr. Bill DePaul said yes.
7 So we went in, got with Mr. DePaul and told him what
8 had happened, and we were the ones that reported it,
9 and then we asked him, you know, what should we do.

10 The physical part of the system, we improved
11 it, you know, 25 times, but we didn't do it with your
12 approval. And the tests were there. They had gotten
13 copies of our tests from our operator, and those tests
14 had been taken either weekly or monthly. I think some
15 of them were taken weekly, and so we're in the process
16 of getting that straightened out now.

17 We had to haul water for a while from the --
18 when we told them, when we found out that Dan Coen had
19 not turned in the as-builts, he was running to finish
20 them and they asked us to haul water until that was
21 turned in. It was strictly of compliance, whatever.
22 The water was good, but they wanted us to haul water
23 until such time as those as-builts were approved. We
24 did and that was when, after we were hauling water,
25 our people went in and cut in that Rickie Well,

1 up on those things, I'm -- well, it's kind of like a
2 general, I guess. He doesn't go down and micro manage
3 every infantry platoon in his Army, but I can get you
4 any answers you need given time.

5 Q. Unfortunately, you're the gentleman here to
6 represent the company so I need to ask you the
7 questions. If you don't know, you don't know. That's
8 fine.

9 You discussed a little bit about the consent
10 agreement that you entered into with the ADEQ on the
11 sewer. That was entered into in 1999; is that
12 correct?

13 A. I think so, I'm not sure.

14 Q. And the ADEQ notices of violations that were
15 also discussed by you, were those cited in the year
16 2000?

17 A. Which ones are you talking about, sir?

18 Q. The Sun Valley Five.

19 A. I would have to believe they were 2000. I
20 don't know the exact dates.

21 Q. And you also had some problems with the
22 Johnson system, too; correct?

23 A. Yes, sir.

24 Q. And was that in 2000 also?

25 A. I can't remember. Would you like me to

1 explain those problems?

2 Q. No, you already did, I believe.

3 A. The Johnson --

4 Q. Go ahead and explain the problem.

5 A. There was lines cut by a contractor and two
6 subcontractors. We went in and chlorinated everything
7 we had to do immediately, repaired lines, and our
8 original operator did not notify DEQ in time. We
9 notified the residents and all that, and so it was
10 more of a notification than anything.

11 Q. One of the things you were cited for was
12 failure to provide water which does not exceed the
13 maximum contaminant level for nitrate. That didn't
14 have anything to do with construction.

15 A. No, that's when we put in the R/O plant to
16 get totally away from it.

17 Q. So there were more than just the one issue as
18 far as construction?

19 A. Yes, sir.

20 Q. And the Staff report at pages 29 through 32,
21 I assume you've looked at those summaries of
22 violations with Johnson Ranch?

23 A. I haven't, but just let me say this, we have
24 a damn good system out there, it's the best in the
25 area, we've spent everything that needs to be spent to

1 have it, and I'm not going to sit here and have you
2 make it look like a nickel and dime operation because
3 it's as good as any system in the State of Arizona.

4 Now, we made some mistakes getting started,
5 and we were high profile, and Ms. Jackie Schafer, the
6 director of ADEQ, sat in the president of the Senate's
7 office and apologized to me for her staff having
8 screwed me over, and you can quote me.

9 Q. My question was: Have you had a chance to
10 review the Staff four pages in the report?

11 A. I'm not sure I did.

12 Q. I'm going to give them to you and ask you to
13 look them over quickly. The question is simply: Did
14 they accurately reflect the substance of the
15 violation?

16 A. I'm sorry, I didn't mean to get mad. We're
17 just proud of our system.

18 I'd have to show these to our operator and
19 our engineers.

20 Q. I'm sorry. So you're not familiar with the
21 nature of your violations sufficiently to know whether
22 that's fair?

23 A. No, I'm not familiar with the exact details
24 like these details, and I'm not going to sit here and
25 get picked apart by you on them, but I'll get the

1 that the track record we're talking about?

2 A. Now you have me confused.

3 Q. You said the track record bears you out. I'm
4 asking what track --

5 A. Since we've added Mr. Beeler on board.

6 Q. And what is it that you were looking at or
7 comparing?

8 A. All of our reports have been on time,
9 everything is in compliance, everything that he's had
10 to do has been done correctly. We had the one hiccup
11 at Sun Valley Farms; he had nothing to do with the
12 construction of that.

13 Q. Do you believe that the types of violations
14 that you experienced at, Johnson Utilities experienced
15 were just normal types of violations that any growing
16 system might experience?

17 A. Yes.

18 Q. So if another company had a violation or two,
19 that wouldn't be anything to concern anybody about as
20 long as --

21 A. It depends on violations. But the City of
22 Phoenix had 5,000 of them, they got find \$5 million
23 here a few months ago.

24 Q. In addition to the nitrate problem, you also
25 had total coliform repeat analysis violation. Do you

1 know anything about that?

2 A. That was where lines were busted and we went
3 in and repaired them. We took samples immediately and
4 samples afterwards to make sure that there wasn't a
5 problem, and we cleaned the problem up immediately and
6 we reported all of that.

7 Q. But you didn't take a sufficient number of
8 subsequent samples, is that why you got cited?

9 A. I don't think that was the reason why. I
10 think we were late in reporting or nonreporting. I'm
11 not sure.

12 Q. If I were to tell you that the way the Staff
13 has reported it and summarized it is that you failed
14 to collect at least five routine coliform samples
15 during the next month following a total coliform
16 positive in accordance with R18-4-202.I. Do you have
17 any reason to dispute that?

18 A. No. But I can tell you this, we never served
19 bad water, and we made sure that we had our own
20 fill-in instruments. And Mr. Paul Manera, who is a
21 registered hydrologist, and has been in this state,
22 it's Dr. Manera, was taking his own samples weekly
23 with his own instruments, and we were always serving
24 safe water.

25 Q. But you do agree that at least one, at one

1 point you were serving water providing service that
2 exceeded the nitrate MCL?

3 A. Yes.

4 Q. Do you consider that safe water?

5 A. No. We made changes immediately.

6 Q. So your statement that you've never done it
7 is a little bit overstatement and occasionally
8 something has happened?

9 A. You sure have a way with words.

10 ALJ STERN: It's a lawyer thing.

11 Q. (BY MR. SULLIVAN) In addition to Johnson
12 Utilities, L.L.C., are you also, do you also have a
13 controlling interest in General Hunt Properties?

14 A. Yes.

15 Q. And is General Hunt Properties the entity
16 that owns and is developing a portion of the Magic
17 Ranch property?

18 A. I'm sorry, I didn't hear that.

19 Q. Is it, does it own and is it developing a
20 portion of the Magic Ranch property?

21 A. Yes, sir.

22 Q. You also have a controlling interest in the
23 Fox Hunt properties?

24 A. Yes.

25 Q. Is the Fox Hunt properties an owner and

1 A. A what?

2 Q. A paid consultant with Johnson Utilities.

3 A. Yes, he is.

4 Q. What services does he perform for Johnson
5 Utilities?

6 A. Overall oversight and dealing with these
7 tough bureaucrats. No, he's very knowledgeable about
8 staff, and we're trying to be the best utility company
9 there is, and we hired him as a consultant because he
10 is well-versed on the law, he's well-versed on how
11 things work down here at DEQ. He's on some boards
12 with ADWR, and I thought it was a wise investment to
13 hire him as a consultant, and he costs less than
14 attorneys.

15 Q. During the last year, did Johnson Utilities,
16 L.L.C. receive complaints from customers or
17 prospective customers regarding their service?

18 A. We'd have to ask my office manager.

19 Q. If I were to tell you that in disclosures
20 that were made prior to this hearing by your counsel
21 in response to data requests that certain complaints
22 were provided that involved Johnson Utilities' refusal
23 to provide service, lack of pressure, improper
24 billing, unresponsiveness, charging for sewer service
25 when you could not provide sewer service, and a

1 petition signed by 26 --

2 A. Could we go one by one on those and I'll
3 answer them for you.

4 Q. Let me finish first and then I'll be glad to
5 go back and let you comment on each one. Is that a
6 deal? And a petition signed by 26 customers that cold
7 water was running hot, do any of those sound familiar
8 with you?

9 A. Yes, sir, that one does.

10 Q. Any of the other ones sound familiar with
11 you?

12 ALJ STERN: That's a pretty good trick. Was
13 that free?

14 THE WITNESS: There's a story behind that
15 one.

16 ALJ STERN: Okay, go ahead.

17 Q. (BY MR. SULLIVAN) Do any of the other ones
18 sound familiar with you?

19 A. Yes, sir.

20 Q. You want to explain them, I'll let you
21 explain them.

22 A. I like the hot water one. Can we go on that
23 one first?

24 Q. You can do the hot water first.

25 A. Where the service comes into the house, and

1 it was Centex homes, they ran it only about six inches
2 under the ground, and then they put decorative granite
3 on top of that, so it got quite hot. Then they took
4 it up the exterior wall, ran it across the attic with
5 no insulation in the attic, and I guarantee you, it
6 came out hot. So we got a hold of Mike Traylor at
7 Centex Homes, and they came in and they fixed all
8 that. And the people did have a gripe, but it wasn't
9 our fault.

10 Q. What about refusals to provide service
11 timely?

12 A. I think there was a lady that was out of the
13 Johnson Ranch area and wanted service. Until we got a
14 line approved up in that area, we couldn't serve her,
15 and we did immediately, as soon as we got a line up
16 there.

17 Q. What about lack of pressure?

18 A. Lack of pressure, we have never had a lack of
19 pressure as defined by any state board or department,
20 but we went in and changed all our pumps, and this man
21 right here can tell you what we did. We increased the
22 size of it to where we could get 80 pounds or 82
23 pounds at the pump, to where everyone always had at
24 least 60 pounds instead of the 20 that we had to
25 provide.

1 Q. What about unresponsiveness?

2 A. Oh, that, I can't believe that. We're the
3 only ones that have an office on-site and we've got a
4 person living on site to respond 24 hours a day.

5 Q. Are you saying that there was no claim, or
6 that you don't think it was very --

7 A. I have no idea. We'd have to ask Ms. Tina
8 Walsh who runs our office out there.

9 Q. I'm talking about complaints that were filed
10 at the ACC as informal complaints that ran through
11 utility services. Do you handle those?

12 A. No, I don't, but I think there was some and I
13 think they were all handled quite correctly.

14 Q. Do you believe that simply because there were
15 complaints against Johnson Utilities during the year
16 2000 that that is reflective that you are not fit and
17 proper to provide service?

18 A. I can't answer that. The supervising
19 authorities would have to answer that for you.

20 Q. I'm asking for your opinion.

21 A. My opinion, I think we've got the best system
22 going in Arizona.

23 Q. So the fact there's been some ADEQ problems
24 and some consumer complaints --

25 A. Don't make our system look bad, it's a good

1 system. We had some problems. I explained it. To
2 the best of my knowledge, we're in total compliance at
3 this time.

4 Q. And the fact that in the past you've had
5 customer complaints and ADEQ compliance issues, you
6 don't believe that makes you unfit to render service;
7 is that correct?

8 A. No, sir.

9 Q. Did you also fail to timely file your ADWR
10 reports for the calendar year 1999?

11 A. You'd have to ask Mr. Dick Sallquist that.
12 He handled that.

13 Q. If I were to tell you that they were untimely
14 filed, do you have any reason to dispute that?

15 A. I can't say one way or the other. I know
16 that there was some papers that were filed down there
17 and put in the wrong file, I think here at ACC, I'm
18 not sure, and there was some other things that
19 Mr. Sallquist got an extension on, I think, but you'd
20 have to ask him on those questions.

21 Q. Does Johnson Utilities require developers to
22 install the infrastructure necessary to serve
23 development pursuant to line extension agreements?

24 A. Yes.

25 Q. And does Johnson Utilities charge a

1 connection fee to pay for backbone facilities?

2 A. Yes.

3 Q. If you put money into your system through
4 your financing application and prebuild facilities,
5 what will you do with your connection fee once you get
6 it? Will you refund, pay back money to your members?

7 A. You'd have to ask my accountants.

8 Q. You talked this morning a little bit, or this
9 afternoon in your direct regarding misunderstandings
10 that you had with some landowners who wanted to get
11 out, didn't want to be included within your
12 certificated area.

13 A. Yes.

14 Q. Isn't it true that despite their request, you
15 are still asking the Commission to certificate Johnson
16 Utilities for their areas?

17 A. Yes, sir.

18 MR. SULLIVAN: That's it.

19 THE WITNESS: Thank you, sir.

20 ALJ STERN: Let's go with Staff and we'll
21 finish Mr. Johnson today.

22

23 CROSS EXAMINATION

24

25 Q. (BY MS. WOLFE) Good afternoon, Mr. Johnson.

6

1 in my 21 years of practice before the Arizona
2 Corporation Commission, has never seen the like. As
3 the Administrative Law Judge will recall, I've been
4 involved in a couple interesting CC&N disputes such as
5 the ED-2/APS case, so uniqueness and ferocious debate
6 is nothing unique to my eyes.

7 But this case is. I have never been involved
8 in a case where an entity obligated to serve the
9 public such as Johnson Utilities has so flagrantly
10 abused its connections, both political and personal,
11 to serve its own self interests regardless of the harm
12 to the existing utility that is its neighbor.

13 Within a few days of Diversified becoming
14 involved in this matter, a step which it admittedly
15 took reluctantly and only because it had to to
16 preserve its potential for growth, it was faced with
17 representatives of Johnson Utilities contacting the
18 water infrastructure financing authority and involving
19 itself and interfering with a pending financing
20 application.

21 Shortly thereafter, or about the same time,
22 Mr. Johnson, on behalf of Johnson Utilities, offered
23 to purchase the same well that Diversified was
24 negotiating and executable documents pending to buy.
25 Johnson Utilities has never offered an explanation as

1 to why it did this or why it would serve it. It's
2 obvious it was done intentionally to better its
3 position in this proceeding, nothing short of that,
4 and I don't think you need hard evidence or an
5 admission from Mr. Johnson to that effect to
6 understand that's exactly what has happened.

7 As a result, Diversified today remains a
8 one-well system rather than a two-well system, and yet
9 that same factor is going to be used by Johnson
10 Utilities and H₂O as a significant point in contention
11 as to why it is unable to serve this new area.

12 As respectfully suggested, those two acts of
13 interference should not be rewarded. But even yet and
14 even more despicable, really, is the use of Johnson
15 with his acquaintances with the landowners, to have
16 them actively participate to destroy Diversified
17 through the formation of this district. Mr. Johnson
18 testified in public hearing on February 28th in
19 support of the prior district that was formed and not
20 selected. He also testified to his willingness and
21 his company's willingness to manage that district.
22 Again, direct interference with another entity's
23 certificated entity through the formation of a public
24 improvement district.

25 The Commission should not ignore those facts

1 and that should be weighed heavily on whether
2 Mr. Johnson is fit and proper to expand his
3 certificated area. Those tactics should not be
4 condoned, regardless of the size of his wells, his
5 storage, or what have you.

6 After the initial district was defeated, a
7 new district was thrown together over a weekend, and
8 you have before you what that district looks like.
9 Obviously, we haven't had an opportunity to present
10 prefiled testimony on the nature of this district
11 because it didn't exist until yesterday. But just
12 looking at the district, and how it overlies
13 Diversified, there is no common sense, rational person
14 who would say that this type of district on top of
15 Diversified, leaving Diversified bits and pieces, is
16 in the public interest. It is counter to everything
17 the Commission and the water task force spoke of when
18 they indicated the need to improve and help small
19 water systems.

20 Diversified originally filed, in its
21 application, for additional territory, which it has
22 already voluntarily withdrawn or not proceeded with,
23 including Section 5, Section 29. I believe it was
24 Section 30, but I may be wrong on that particular
25 number.

1 Today it's willing to state that although it
2 is ready, willing, and able to serve both Sections 28
3 and 33, that if it is certificated to Section 33,
4 which is Parcel 17, which is also called the Ware
5 Farms, it will not contest the certification of H₂O to
6 serve the Home Place. But that is contingent upon it
7 getting Ware Farms. Otherwise, it is ready to proceed
8 and believes the public would be benefited from it
9 serving both, and it will continue to press that right
10 if otherwise -- unless it at least gets Ware Farms out
11 of this.

12 As to Bella Vista, representatives of
13 Johnson, Mr. Campbell has made it very clear that
14 settlement is not a possibility. These rely heavily
15 on the relationship between Johnson Utilities and the
16 comments of landowners. The evidence in this case,
17 the prefiled evidence in this case indicates why this
18 Commission cannot put much stock in the desires or the
19 requests of the landowners. Should it be ignored?
20 Absolutely not. We agree that the landowner has the
21 right to express his desires and the Commission should
22 listen to that.

23 But what you have already in this proceeding
24 is landowners shifting; first H₂O was terrible, now
25 H₂O is okay. The fact is the landowner is looking for

7



Jane Dee Hull
Governor

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

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(602) 207-2300 • www.adeq.state.az.us



Jacqueline E. Schafer
Director

June 28, 2001

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Steve Kohner, HOA Manager
The Links Estates MHP @ Ocotillo HOA
7902 North Black Canyon Hwy., Suite 100
Phoenix, Arizona 85051

Re: **2001-Inspection of The Links Estates WWTP**
Individual Aquifer Protection Permit No. P-102976,
Inventory No. 102976, WW Place Id. No.7879

Dear Mr. Kohner:

Enclosed is the 2001-inspection report prepared by the Arizona Department of Environmental Quality's (ADEQ's) Water Quality Enforcement Unit (WQEU) concerning the inspection conducted at the above-referenced facilities on June 14, 2001. The inspection was conducted in accordance with Arizona Revised Statutes (A.R.S.) §49-203.B.1. et seq., and with Arizona Administrative Code (A.A.C.) R18-9-110.A.

As indicated in the enclosed "Summary of Inspection," there were no deficiencies observed during the 2001-inspection and the review of ADEQ records by WQEU staff. However, there are some recommendations noted at the end of this report.

Your continued efforts are appreciated in keeping your wastewater treatment and disposal systems in compliance with the applicable Arizona environmental rules and regulations. ADEQ thanks you for your efforts in protecting the public health and the environment.

Sincerely,

Nabil K. Anouti, E.E.S., Compliance Officer
Water Quality Enforcement Unit

cc: Pinal County Health Department
Asif Majeed, Manager, ADEQ - Wastewater Recharge & Reuse Unit
Maurice Lee, The Links Estates, 4545 E. Shea Ave., Suite 164, Phoenix, AZ 85008
(WQEU - Inventory # 102976)

Ref#EU01-0247

Northern Regional Office
1515 East Cedar Avenue • Suite F • Flagstaff, AZ 86004
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Southern Regional Office
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**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER QUALITY DIVISION - WATER QUALITY COMPLIANCE SECTION
Water Quality Enforcement Unit**

SUMMARY OF INSPECTION - WASTEWATER

FACILITY: The Links Estates

Inventory No.: 102976

Aquifer Protection Permit (APP) No.: P-102976

Federal NPDES Permit No.: N/A

Reclaimed WW Reuse Permit No.: N/A

GWQPP Permit No.: N/A

Inspected by: Nabil K. Anouti, E.E.S., Compliance Officer

Inspection Date: June 14, 2001

Report Date: June 28, 2001

Accompanied by: Maurice Lee, Certified Plant Operator.

YES NO N/A UNKNOWN

1. WWTP meets the following permit requirements:
 - A. Aquifer Protection Permit (individual)
 - B. Reclaimed WW Reuse Permit
 - C. Federal NPDES Permit
2. A certified operator is employed by the owner, in accordance with ADEQ regulations.
3. This system meets all permit requirements for operation and maintenance.

X			
		X	
		X	
X			
X			

INSPECTION PURPOSE AND SCOPE

The Department conducts periodic compliance assurance inspections at wastewater treatment and/or disposal facilities or systems to determine compliance with construction, permit operation & maintenance, permit conditions and state rules and regulations. If a facility is operating under specific conditions for a General APP or has connected to a public sanitary sewer, this inspection is directed to verify those conditions are met or that the sewer connection has been constructed.

FACILITY DESCRIPTION

The Links Estates MHP WWTP is located at 939 E. Clubhouse Lane in Queen Creek, Arizona. The treatment plant is designed to receive residential wastewater only. Most of the residents are retired individuals who occupy the resort all year around. The plant is originally approved on October 2, 1995 by ADEQ through an APP individual permit. The plant is a tertiary package treatment system designed by Santec, Inc. with nitrogen removal and ultraviolet disinfection.

The plant is located near the southeast corner of Ocotillo and Vineyard (Ironwood extended) in Queen Creek and south of The Links Estates Mobile Home Park. The plant was initially permitted for 2 process trains with a combined total flow of 75,000 gallons per day per APP permit. Currently only one train of 37,500 gpd has been built. It is treating an average daily flow of about 3,500 gallons per day. This plant is under a major modification of their system and has submitted an application for approval. The WWTP consists of a grit chamber with small screen located at the inlet to the equalization tank, which also houses 2 Goulds raw sewage pumps and a MAG flow meter, 3 aeration tanks (coarse bubble air) which operate in series, a denitrification/clarifier tank, an effluent holding tank with discharge pumps, a pressure sand filter, disinfection chamber (UV) and waste sludge tank. Nearly all of the equipments are buried below ground level. Only the blowers, sand filter unit and UV station are above ground. The plant is wired to receive a portable, emergency generator which is available onsite in the nearby equipment maintenance building. Effluent is discharged to 360,000 gallons unlined evaporation/percolation pond. At the time of inspection, the plant low flows preclude any treated effluent from being reused. A block wall has been constructed around the WWTP for security and safety purposes.

SUMMARY OF FIELD OBSERVATIONS

The 2001-inspection of The Links Estates WWTP was to evaluate the compliance status of Aquifer Protection Permit and the overall operation and maintenance of the treatment plant. No violations were observed during the time of inspection. The plant is required a certified WW operator, Grade 2 minimum to operate and maintain the treatment and disposal components.

The plant is designed to treat 37,500 gallons per day maximum daily flow. During the time of inspection, the current average daily flow was approx. 3500 gallons per day. The 2001 maximum daily flow was approx. 4000 gallons per day. The treated effluent is mainly percolating in the storage pond. The plant was well maintained and is also going through a major expansion. The plant currently serves about 72 units which are occupied part-time.

This plant has a six feet block wall around the perimeter. The wall serves as a safety feature and allows for on-site equipment storage and security.

The grit chamber is pumped periodically for proper operation and odor control. The grit is hauled by Coopers (waste hauler) to the 23 Avenue Phoenix plant for final disposal. Air scrubber devices were installed on the equalization tank and the first aeration tank for odor control. Each tank has 3 access ports and all are equipped with small carbon filters. Potassium permanganate may be used rather than carbon, due to cost and efficiency. These filters devices are designed and fabricated by Mr. Abercrombie. The aeration tanks were in excellent mixing conditions.

The plant are repairing the tertiary filter (compressor and air lines problems). A follow-up inspection will be scheduled to check on the filtration system no later than July 4, 2001. ADEQ/APP permit does not require testing of BOD or suspended solids.

The plant is also repairing the UV disinfection system which was not in operation at the time of inspection. Chlorine tablets are being used in compliance with the APP permit requirements.

A letter of notification has been sent to ADEQ staff on June 15, 2001 providing details about the UV unit failure and the time frame that is required to fix this unit.

The plant has submitted the 2001-SMRF for the first Quarter only and had reported one violation of TN that exceeded APP permit level of 10 mg/l for the month of February. The plant operator has found the methanol feed distribution lines were deteriorating and caused the system troubleshooting (improper denitrification). A replacement of the distribution lines and the methanol drum to a 55 gallon are corrected. A weekly monitoring of TN will be conducted to comply with the permit requirements.

The effluent holding pond contains barely any water because of low daily flow. The effluent holding pond needs to be resigned to warn people that the pond contains effluent.

Currently, the plant is expanding the system to 75,000 gpd. A major modification of the treatment system is being constructed and an applications to modify the APP permit has been submitted to the Water Permits Section.

COMPLIANCE SUMMARY

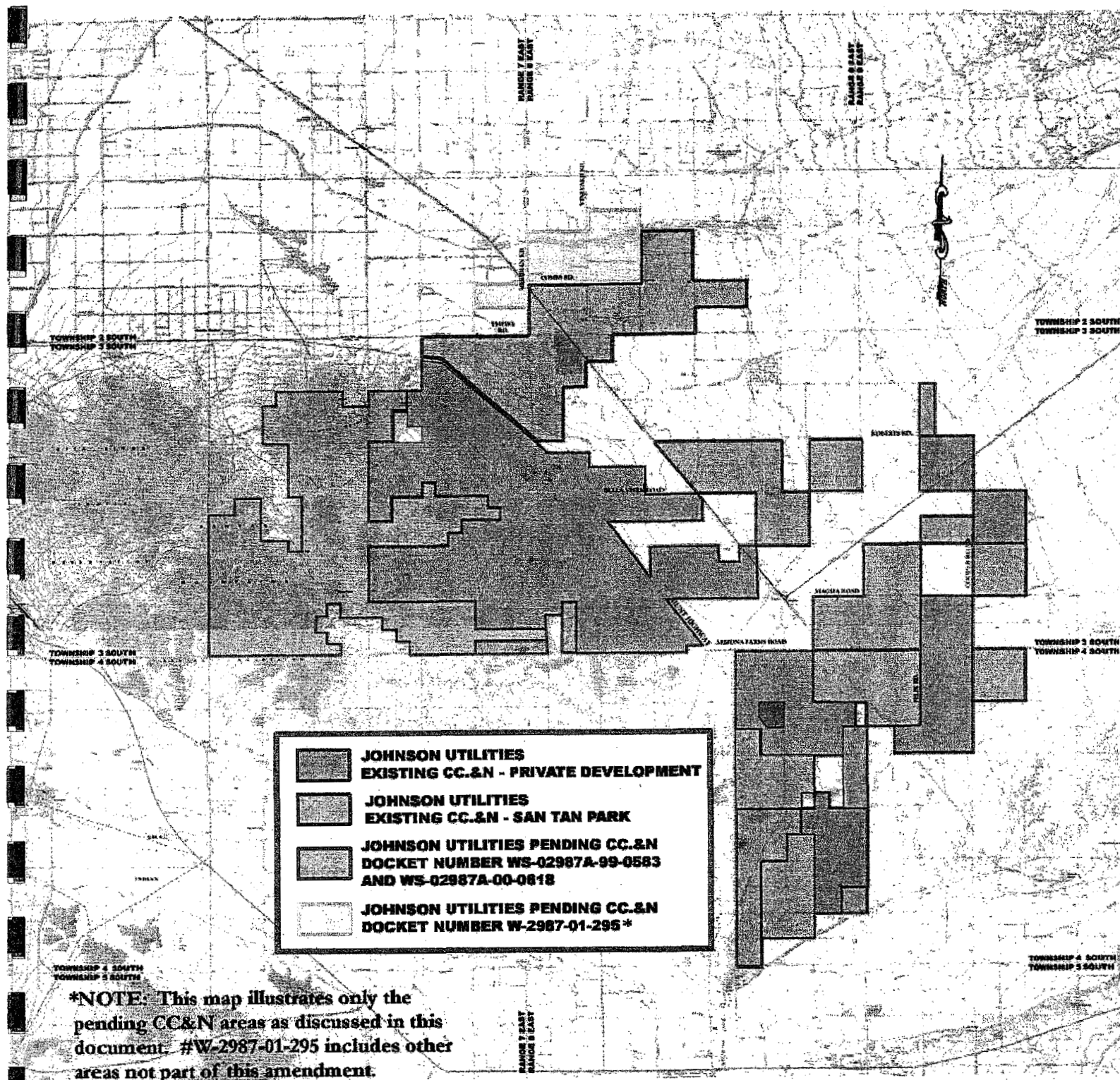
1. **Construction Requirements:** There is currently construction and modification of this plant to increase the treatment efficiency and flow capacity to 75,000 gpd. An application is submitted to ADEQ for the APP permit modification.
Rating: FULL COMPLIANCE.
2. **Monitoring and Reporting Requirements:** There is monitoring and reporting requirements for this system. It is required that a maintenance record-keeping system be always updated and kept onsite for future reference to demonstrate that adequate maintenance is performed on this system and all approved onsite wastewater disposal facilities. Monthly monitoring and quarterly reporting data are received by the Department for the months of January thru March 2001 and shows no violations that exceed the allowable permit limits. Reports are submitted for APP permit.
Rating: FULL COMPLIANCE.
3. **Operator Certification Requirements:** Certified operator requirements do pertain to this type of wastewater treatment and disposal system. On-site Certified/Remote Operator, Mr. Maurice Lee was on-site during this inspection on June 14, 2001.
Rating: FULL COMPLIANCE.
4. **Operation & Maintenance (O&M) Requirements:** The facility is not in good operation conditions. The onsite operation and maintenance manual is not that useful in accordance with the operator. Problems are occurring with UV disinfection system, the filtration unit, and the methanol feed system. WQEU staff are looking at scheduling a follow up inspection to check on those components.
Rating: FULL COMPLIANCE.
5. **Overall Rating: FULL COMPLIANCE.**

RECOMMENDATIONS:

1. The facility owner shall obtain the APP permit modification prior to the startup operation of the new components. A copy of this permit modification should be sent to the WQEU Compliance Officer when approved.
2. The facility shall speed up those repairs of the UV disinfection unit, sand filter, and the methanol feed system because those components are essential in meeting the APP permit requirements.

END OF REPORT

8



CC&N Areas - Pinal County

Exhibit 3